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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW HAMPSHIRE

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MARKEM-IMAJE CORPORATION,	*	
	*	07-cv-06-PB
Plaintiff and	*	July 30, 2012
Counterclaim Defendant,	*	10:00 a.m.
	*	
v.	*	
	*	
ZIPHER LTD. and	*	
VIDEOJET TECHNOLOGIES, INC.,	*	
	*	
Defendants and	*	
Counterclaim Plaintiffs.	*	
	*	

\* \* \* \* \*

TRANSCRIPT OF MOTION HEARING  
BEFORE THE HONORABLE PAUL J. BARBADORO

Appearances:

For the Plaintiff:	Kurt L. Glitzenstein, Esq. Christopher R. Dillon, Esq. Fish & Richardson (MA)
	Daniel M. Deschenes, Esq. Hinckley, Allen & Snyder (NH)
For the Defendant:	Kara F. Stoll, Esq. Elizabeth D. Ferrill, Esq. Finnegan, Henderson, Farabow, Garrett & Dunner, LLP
	Philip R. Braley, Esq. Olson & Gould, PC
Court Reporter:	Sandra L. Bailey, LCR, CM, CRR Official Court Reporter U.S. District Court 55 Pleasant Street Concord, NH 03301 (603) 225-1454



1                               BEFORE THE COURT

2                               THE CLERK: Court is in session and has for  
3 consideration a motion hearing in Markem-Image  
4 Corporation versus Zipher, Limited, et al., Civil Case  
5 Number 07-06-PB.

6                               THE COURT: All right, let's take each of the  
7 three arguments one at a time. So I will hear from  
8 Markem first on the first argument.

9                               MR. GLITZENSTEIN: Good morning, Kurt  
10 Glitzenstein for Markem-Image. Would you like to hear  
11 the IPXL method apparatus issue first, your Honor?

12                              THE COURT: Well, that's the way you presented  
13 it in your brief, so why don't you go that way.

14                              MR. GLITZENSTEIN: Thank you, your Honor. Mr.  
15 Dillon, Chris Dillon will be arguing that for  
16 Markem-Image.

17                              THE COURT: All right.

18                              MR. DILLON: Your Honor, we have a paper copy  
19 of this presentation. Can we hand that up to you as  
20 well?

21                              THE COURT: Sure.

22                              MR. DILLON: And I'm going to be starting on  
23 tab one.

24                              Your Honor, with respect to the IPXL issue,  
25 this is not a question of a dispute of law. For the

1 most part, the parties are in agreement regarding the  
2 holding of IPXL and although we differ regarding  
3 characterization of the case, the disputed issue here is  
4 whether Zipher's apparatus claims actually contain  
5 method steps. So this is more akin to interpretation of  
6 the claims. We need to look at the claims that are at  
7 issue and see whether in fact they do contain method  
8 steps.

9           It is indisputable that the language that we  
10 are challenging is found in method claims. The same  
11 language is also found in methods claims within Zipher's  
12 patent. The issue here is whether those method steps in  
13 the method claims have the same meaning when you place  
14 them in the apparatus claim, and we say they do. The  
15 language needs to be interpreted consistently.

16           Zipher's position is that when a method step  
17 language from the method claim is imported into an  
18 apparatus claim, that it has a different meaning, that  
19 it describes the capabilities of the apparatus. And  
20 this is an argument that the Federal Circuit has  
21 rejected several times. The language --

22           THE COURT: Where have they rejected that  
23 argument? I haven't seen it rejected anywhere.

24           MR. DILLON: In three cases, your Honor. In  
25 IPXL, in Katz and in Rembrandt. In Katz there was a

1 method step --

2 THE COURT: I mean, you can say that, but they  
3 didn't reject the specific argument that the capability  
4 of an element of an apparatus is not necessarily a  
5 method step. All of those cases that you cite involve  
6 instances in which the alleged method step specify a  
7 process, a part of a process that the user would engage  
8 in. There isn't anything in those opinions that suggest  
9 that specifying a function for an element of an  
10 apparatus is a method step.

11 MR. DILLON: Your Honor, with respect to the  
12 Rembrandt case, in that case there is no user that was  
13 performing the step. The method step was transmitting  
14 the trellis encoded frames. And the parties admitted  
15 that that would be done by a transmitter section.

16 THE COURT: The problem -- let's get to the  
17 underlying problem of IPXL. The underlying problem that  
18 IPXL tries to address is the problem of combining  
19 apparatus and method, because apparatus claims are  
20 infringed by making or using the apparatus. Method  
21 claims are process claims. They are infringed by  
22 employing the process, right?

23 MR. DILLON: That's correct.

24 THE COURT: Okay. And the problem is if you  
25 combine those, as you can't tell -- someone who's

1 potentially subject to an infringement action can't  
2 really tell whether they can be liable for building or  
3 whether they can only be liable for using, and that's  
4 the principal problem, isn't it?

5 MR. DILLON: That's correct, your Honor.

6 THE COURT: And so when we try to -- we can  
7 try to read these decisions in light of the principal  
8 problem that we're trying to address, the standard in my  
9 mind becomes, the challenge becomes identify a means by  
10 which you can distinguish acceptable functional claiming  
11 from method claiming which can't be combined in an  
12 apparatus claim.

13 What is your proposed standard, because I  
14 assume you would acknowledge that it is an acceptable  
15 practice in an apparatus claim to include functional  
16 claiming. Do you agree?

17 MR. DILLON: Yes, your Honor.

18 THE COURT: Okay. So what is your standard  
19 for distinguishing acceptable functional claiming from  
20 impermissible method claiming in an apparatus patent?

21 MR. DILLON: And I think in this instance and  
22 all instances you have to look at the specific language  
23 of the claim. And what I propose, your Honor, is to go  
24 through the specific claims and point out --

25 THE COURT: Give me the standard by which one

1 distinguishes it, and then we'll go, I agree, ultimately  
2 everything has to be resolved in the context of the  
3 individual case, but how does the Federal Circuit  
4 articulate the standard, because clearly from your  
5 position the Federal Circuit needs to give all of us  
6 some clearer guidance about what IPXL, how it applies  
7 and how it doesn't apply to functional claiming, because  
8 this is functional claiming, and the question is, you're  
9 saying this is functional claiming that is also method  
10 claiming.

11 MR. DILLON: I think the problem with these  
12 claims, your Honor, is that it contained apparatus  
13 elements and they also contain method steps.

14 THE COURT: No, but it's functional claiming  
15 that you say is a process, is a method. That's the  
16 problem.

17 MR. DILLON: No, I think what I'm trying --

18 THE COURT: It describes the capacity of that  
19 particular disclosed structure, a capacity, a function,  
20 and not a process. So you've got to tell me when what  
21 looks like functional claiming as opposed to the issues,  
22 say, in IPXL and Rembrandt and other cases, I mean, I  
23 look at MEP on one side and I look at the cases you cite  
24 on the other side, and there's a way to reconcile those  
25 cases, and the way to reconcile them is to ask what is

1 being identified is a process that one must engage in in  
2 operating the machine or one is identifying a capacity  
3 of the machine. And that seems to me to be the way to  
4 look at this case and say, if it identifies a process of  
5 operating the machine, it's going to be more likely to  
6 be deemed a method step. If it's identifying a capacity  
7 of the machine, a function is a capacity that's  
8 identified as a particular capacity that's desired, it  
9 is not a method step, and that's how I would distinguish  
10 them. But the problem is, when I apply that test to  
11 your argument, you lose. So what's the, what test are  
12 you proposing?

13 MR. DILLON: Your Honor, I'd like to look at  
14 it with you with respect to each of the claims. I think  
15 in the broad strokes I don't disagree with you. That  
16 the question is whether this is describing in the claims  
17 a method of operation. If it is, the claims are  
18 invalid. If it's not, if it's using language that we  
19 see typically where using functional language like  
20 adapted to or configured to where functional language is  
21 describing the apparatus, that's different. These  
22 claims don't have that language. These claims have  
23 language within them that are identical to the method  
24 steps in the method claims.

25 THE COURT: Yeah, I know you made that point



1 but that doesn't really carry any weight with me. I  
2 mean, I'm just saying that they use energize in both  
3 doesn't tell me anything.

4 MR. DILLON: I agree with respect to  
5 individual words, your Honor, but what I want to do is  
6 walk you through the individual claims, the method  
7 claims --

8 THE COURT: Okay, by showing me that they also  
9 say the same thing in method claims is not going to help  
10 me be persuaded by your argument. So, if you want to do  
11 that, it's just a waste of time. Help me understand why  
12 what they've included in their apparatus claim is in  
13 fact a method step. Don't just do it by telling me,  
14 look how that language is similar in their method claim,  
15 okay, that's just a waste.

16 MR. DILLON: And I agree with that. I think  
17 you have to look at the entire element to understand  
18 whether or not it's a method step or whether it's just a  
19 functional description of a particular component.

20 THE COURT: Okay, go ahead.

21 MR. DILLON: So I think, you know, starting  
22 with the '572 patent, this is a patent here where we see  
23 both of those, the capability and the method. And the  
24 language in green here is directed towards the  
25 capability. The controller adapted to control

1 energization of said two motors such that tape is  
2 transported in at least one direction between spools of  
3 tape mounted on the spool supports. That language is  
4 directed to capability. So it's a controller that's  
5 been adapted in a particular way to perform the control  
6 of the energization.

7           The next step there highlighted in red is a  
8 method. It says wherein the controller energizes both  
9 said motors to drive the spools in a tape transport  
10 direction. If you look at the language in red, there's  
11 no additional capability described in the red that's not  
12 already described in the green. And so if this was  
13 interpreted as --

14           THE COURT: But if it said energization means,  
15 would that be a method step?

16           MR. DILLON: No, but that's not what it says,  
17 your Honor.

18           THE COURT: I understand that's not what it  
19 says. But you see the problem you're getting into is  
20 that, and you won't fall into this trap by acknowledging  
21 it, but that's functionally what you're doing, is you're  
22 basically trying to take all kinds of functional  
23 claiming and make it all improper by saying it's a  
24 method step.

25           MR. DILLON: I don't think this is -- I think

1 the question is not whether it's functional claiming,  
2 the question is whether this is a method step or whether  
3 this is just further description of the apparatus. And  
4 here, the only thing that's additionally described in  
5 the red has already been described as part of the  
6 apparatus up above. We're saying here, there's a  
7 controller. We see the controller in the green. Up  
8 above it says the controller has been adapted to control  
9 energization. Here we say it actually energizes. Up  
10 above it says said two motors. Here it says it  
11 energizes both said motors to drive the spools and tape  
12 transport direction is just what's --

13 THE COURT: Isn't that obviously the general  
14 clause with two more specific clauses that follow it  
15 that explain what it is?

16 MR. DILLON: But the red part, your Honor, if  
17 it's not red it's an operational step, doesn't describe  
18 any additional capability than what's already described  
19 in the green. It would be a redundant and superfluous  
20 clause. And as a matter of construction, we don't read  
21 patents to have meaningless clauses. This is an actual  
22 energization that's required here. And when we look at  
23 the method claim in the top right here, there is a  
24 method claim in the '094 patent that uses the same  
25 language as a method step. It says the controller

1 energizes the motor so as to advance the tape in the  
2 tape transport direction. That language undoubtably in  
3 the method claim is a method step. And when you take  
4 the same language, the controller energizes the motor as  
5 to advance the tape in the tape transport direction, and  
6 you put it back into claim one of the '572 patent, it  
7 remains a method step.

8 THE COURT: So in the context of the method  
9 claim it's a method step, in the context of the  
10 apparatus claim it's a functional claiming element.

11 MR. DILLON: But it doesn't describe any  
12 additional capability that's not already described in  
13 the green language.

14 THE COURT: I know, you said that before. It  
15 doesn't really persuade me.

16 Okay, what else have you got?

17 MR. DILLON: There are two additional steps in  
18 this '572 patent regarding calculates and controls. The  
19 same thing applies. Here we see that there's method  
20 claims that use very similar language to describe that  
21 particular step as a method step in the patents.

22 And our position is that, at least in the  
23 appeal with respect to the '572 patent where Markem took  
24 the position that the patent could require, Zipher's  
25 position was it required the mere capability, Zipher

1 took a contrary position and said that this claim, the  
2 one at issue, '572/1, requires actual operation.

3 THE COURT: Okay.

4 MR. DILLON: So when we look at the IPXL test,  
5 I mean this is as close as a bright line test as we get  
6 from the Federal Circuit, where it says, you know, a  
7 single claim, that's claim one, which contains an  
8 apparatus, and clearly it's says a tape drive comprising  
9 structural elements, and the issue here is whether these  
10 are method steps. And when you look at the plain  
11 meaning of this language, wherein the controller  
12 energizes both said motors to drive the spools in the  
13 tape transport direction, that's an operational step.  
14 It's used as an operational step in the method claims.  
15 It doesn't use the conventions that are ordinarily used  
16 when you're trying to change, when you're trying to  
17 describe something as a functional capability of a piece  
18 of apparatus. For example, it doesn't use wherein the  
19 controller is adapted to energize as we see up above.  
20 It doesn't use configure to. It doesn't use capable of.

21 THE COURT: How do you describe MEP? I mean,  
22 this makes quite clear that if you're dealing with  
23 capabilities, you're not dealing with method step;  
24 right? Isn't MEP the closest case that we have here?

25 MR. DILLON: I don't think so, your Honor.

1 THE COURT: Why not?

2 MR. DILLON: Well, for one thing there's not  
3 much of a discussion of the system claim in the MEP  
4 decision.

5 THE COURT: Well, yeah, I want to be clear.  
6 Katz doesn't correctly characterize MEP, right, because  
7 if you look at Katz on this point, it talks about the  
8 fact that it was a method claim that was being analyzed.  
9 But they were both, there was a method claim and an  
10 apparatus claim.

11 MR. DILLON: That's correct, your Honor.

12 THE COURT: And the language I'm referring to  
13 is the apparatus portion of the opinion, and so Katz I  
14 think, kind of skipped too lightly over MEP which is  
15 the, in my mind, is the clearest discussion and  
16 distinction that IPXL was trying to get at. And that's  
17 why I look at it and say, unless you can take it out of  
18 MEP, you're wrong. And so unless you can show me this  
19 is something other than capability, and I understand  
20 you've got two arguments that you've made, so you know  
21 that I've heard them, your first argument is they use  
22 the same language in the method claim, therefore it must  
23 be method step, which I am unpersuaded by. And your  
24 second argument is in the introductory clause of that  
25 claim element they specify a capability, and therefore

1     when they refer to it again later on, that must be a,  
2     not a capability but an operational step because  
3     otherwise it would be redundant. Those are your two  
4     arguments.

5             MR. DILLON: With respect to that claim, your  
6     Honor, and the plain language of the step, which is a  
7     method step, it says wherein controller energizes both  
8     said motors. It doesn't say where it's configured to or  
9     adapted to, or any of the functional language we usually  
10    see.

11            THE COURT: Okay.

12            MR. DILLON: I think rather than going through  
13    the claims, your Honor, given the position, I'd like to  
14    switch and jump ahead to the Federal Circuit decisions.

15            THE COURT: Okay.

16            MR. DILLON: I think it's worth talking about  
17    Katz. You know, here with respect to Katz you had a  
18    capability that's described in the claim, and that is  
19    the digital input means. And so with respect to the  
20    method step, the one that was challenged, there the  
21    claim that was challenged was, wherein, in the method  
22    step that was challenged with, wherein said certain of  
23    said individual callers digitally enter data including  
24    at least caller information data through said digital  
25    input means.

1           Now, you could read the digital input means  
2   and say what's occurring here is just simply a  
3   functional characteristic of the digital input means.  
4   It has to be capable of having individual callers  
5   digitally enter the data --

6           THE COURT: The key language in Katz is that  
7   the language the court was considering was directed to  
8   user action, not system capabilities. That's the key  
9   defining basis on which that portion of the Katz opinion  
10   rests.

11          MR. DILLON: I think, your Honor, that that is  
12   certainly, that user, human interaction is part of the  
13   Katz claim, but that's not a distinction that the  
14   Federal Circuit has --

15          THE COURT: This is what they say. I'll quote  
16   the actual language to you. I'm surprised you haven't  
17   read the opinion closely. Katz seeks to distinguish  
18   IPXL on the ground that the term wherein does not  
19   signify a method step but instead defines a functional  
20   capability. We disagree and hold that the district  
21   court's ruling, like the language used in the claim at  
22   issue in IPXL, I'll leave out the parenthetical, the  
23   language used in the Katz claim is directed to user  
24   action, not system capability.

25          So they just threw that in there for the fun



1 of it, it doesn't really mean --

2 MR. DILLON: No, your Honor, I disagree. I  
3 believe that that was important to what Katz said. But  
4 the key was that it was directed to operation. And does  
5 Katz require a human? Well, if that were the case, then  
6 in the subsequent Federal Circuit decision of Rembrandt  
7 --

8 THE COURT: So really you're relying on  
9 Rembrandt, not --

10 MR. DILLON: Rembrandt and HTC both support  
11 that you don't need a user. Rembrandt is the claim --  
12 let me get the quote up here, your Honor. This is the  
13 claim here in the beginning, the Federal Circuit goes  
14 through and identifies the first four of the five  
15 elements as structural, and with respect to the last  
16 element says, the part transmitting the trellis encoded  
17 frames is a method step. And transmitting the trellis  
18 encoded frames was understood by the parties, the patent  
19 owner, and by the alleged infringer as being a step that  
20 was performed by the transmitter section. It was not  
21 performed by a user or a human. And so although I would  
22 agree that IPXL and Katz both had a human involved in  
23 the method claim, that is not a requirement of the IPXL  
24 rule.

25 THE COURT: Well, I wouldn't read that in as a

1 requirement or not. What I'm focusing on, is it  
2 describing a capability slash function, or is it  
3 describing operation. That's the determinative factor.  
4 But there's no question that Katz rested on the  
5 distinction that said that, and I gave you the quoted  
6 language --

7 MR. DILLON: Your Honor, I understand.

8 THE COURT: I'm not saying that that's  
9 necessarily the determinative thing. It obviously is  
10 very important in trying to identify whether something  
11 is operation or function. And clearly we don't have  
12 user using in this case. We have claim element  
13 operating, according to your theory, and the claim  
14 operating is an operational step. And, you know, I  
15 understand that's your theory, but the other competing  
16 view is that it describes what a function or capability  
17 of the controller is in this case, and it doesn't look  
18 to me like what it's talking about is practicing the  
19 invention by operating it, it talks about what the  
20 components of the invention are, including the  
21 functional aspect of the disclosed structure. That's,  
22 you know, that's how I'm inclined to see it after  
23 looking at it and reading these cases.

24 But I'll certainly consider your argument  
25 that, and I'm going to ask them to respond to your two

1 arguments that because the same language is in the  
2 method claim, it must be a method step, and because the  
3 introductory clause identifies a function that further  
4 references to it, must describe operation, not function.

5 MR. DILLON: I'd like to point out one other  
6 case in addition to Rembrandt, your Honor. Here we see  
7 transmitting the trellis encoded frames. I made my  
8 point on that. That doesn't require a human. In HTC we  
9 had a similar situation. The Court of Appeals  
10 ultimately upheld this claim as valid in HTC. It said  
11 that the key here was when we look at the steps on the  
12 left-hand side, the steps two through seven, the storing  
13 step, holding, there was no doubt that these steps were  
14 method steps in the decision of the Federal Circuit.  
15 The issue is whether these were performed by the  
16 unclaimed network or whether they were claimed by the  
17 mobile station. And the decision rested solely on  
18 whether or not it was the mobile station or the network.  
19 There was no doubt these steps here were method steps,  
20 and again, not performed by a human, these were  
21 performed either by, the issue is whether it was  
22 performed by the mobile station, a piece of equipment,  
23 or the network. And ultimately the court ruled here  
24 that these were performed by the network. They were  
25 there for part of the preamble, and then IPXL did not

1     apply to invalidate the claims, but the court again  
2     affirmed as part of its decision here that method steps  
3     that are performed by equipment are just as invalid  
4     under IPXL as if performed by a user.

5             THE COURT:   Okay.   The problem I have with  
6     Rembrandt is of all these decisions it's the skimpiest  
7     in terms of its reasoning on this point.   It doesn't  
8     even -- it just says the conclusion, it is a method,  
9     therefore it violates.   It doesn't explain why it's a  
10    method.   To the extent the other cases explain why  
11    something is a method or why it isn't, Rembrandt just  
12    declares its a method and then we move on.   So I must  
13    infer from the declaration of it being a method and your  
14    statement, if it's correct, that transmitting is not  
15    something that is done by a user, that it has some kind  
16    of broader meaning that's present in IPXL or Katz, both  
17    of which involved user actions.   Those are the clear  
18    cases.   And MEP is a clear case of it not being an  
19    apparatus claim with functional claiming that's not a  
20    method step.   Rembrandt declares this to be a method  
21    step but doesn't explain why.   Do you agree it doesn't  
22    provide any explanation?   It's just a statement of  
23    conclusion.

24            MR. DILLON:   I believe there are two.   With  
25    respect to Rembrandt, the transmitter, there the last

1 step transmitting the trellis encoded frame, there is  
2 discussion in the case about what performs that. And if  
3 you look at the decision --

4 THE COURT: I'll have to go back and reread  
5 that because I didn't pick up, I didn't consider  
6 Rembrandt to be a very helpful case to me because when I  
7 look, usually you look to say holding why, okay. Here  
8 we have holding. It is a method step. But no why. Do  
9 you agree? Is there any why in there where they,  
10 because I read these opinions, if you look at the point  
11 where they reach the conclusion, they simply, claim '236  
12 reads, and has transmitted the trellis encoded frames.  
13 And then it says claims four through 11 depend on three.  
14 The first four elements of three recite apparatus  
15 elements. The final element is a method. This court  
16 has held that reciting both an apparatus and a method  
17 renders a claim indefinite under 112.2 applying this  
18 doctrine the district court correctly held the claim was  
19 invalid for indefinite. That's the full extent of the  
20 court's reasoning on this point. There is no other  
21 reasoning on this point in the opinion.

22 MR. DILLON: Your Honor, the reason for that  
23 is the parties didn't dispute that this was a method.  
24 Where the dispute was is whether you could change, add  
25 language to, and the patent owner wanted to have this

1 claim construed as a transmitter section transmitting  
2 the trellis encoded frames, and the court declined -- we  
3 dropped the claims to add that language. And that  
4 discussion, I believe, follows the part that you're  
5 reviewing there.

6 THE COURT: Right. So that, you're saying  
7 that wasn't even an issue in the case --

8 MR. DILLON: The parties admitted --

9 THE COURT: -- whether it was a claim or a  
10 functional claiming part of the apparatus.

11 MR. DILLON: Because again, if you look at the  
12 language, transmitting the trellis to the --

13 THE COURT: But if the parties don't argue  
14 something and the court doesn't analyze it, how much  
15 weight can I give to the conclusion you want me to reach  
16 from an opinion? It's certainly not holding in the  
17 opinion. It's simply the court's just noting that the  
18 parties don't disagree on a particular point and as a  
19 result of that lack of disagreement, it's an improper  
20 IPXL combination of method and apparatus. That's what  
21 you're saying Rembrandt is. It's a meaningless opinion  
22 for me.

23 MR. DILLON: I disagree, your Honor. I think  
24 it's meaningful because the court didn't think that it  
25 was necessary to further explain that a method required

1 --

2 THE COURT: Yeah, I fully understand that you  
3 can't have an apparatus claim that includes method steps  
4 in it. I understand that much, okay. So what this  
5 opinion tells me is, where the parties don't dispute an  
6 apparatus claim contains a method element, it violates  
7 IPXL, and I understand that. If that's all it is, that  
8 doesn't tell me anything that's useful to me. It  
9 doesn't answer the question we're struggling with which  
10 is a different question, right? The question we're  
11 struggling with is given that that is true, is the  
12 functional claiming here a method step or is it  
13 permissible functional claiming that can be in an  
14 appropriate case a part of an apparatus claim, Rembrandt  
15 doesn't tell me anything on that point because as you  
16 acknowledge, the parties conceded that what was at issue  
17 there was a method step. Now, if you say, well, you  
18 should defer to the parties' judgment, if they are  
19 willing to concede it it must be so, well, that doesn't  
20 tell me anything, or the Federal Circuit didn't step out  
21 and correct them and say even though the parties  
22 conceded it's a method step, it's not. Well, that's not  
23 the way the judges work. We have enough problems that  
24 we have to solve. We don't go out and try to solve  
25 problems that the parties aren't disagreeing about, you

1 know, so I guess I can't put much weight on Rembrandt is  
2 what I'm coming down to.

3 MR. DILLON: Well, again, I would say that, I  
4 can't speak to whether the parties at some point  
5 disputed that, but the Federal Circuit did not think  
6 that that was a serious issue of dispute and certainly  
7 its opinion was directed to the issue of whether or not  
8 you could add the structural element transmitter  
9 section. The court thought it -- and even if it had, if  
10 it added transmitter section, that was not adding a  
11 user, that was adding a transmitter section. The method  
12 step there, you know, the issue is whether or not its  
13 capability of a piece of apparatus, this language by  
14 itself is not a capability of an apparatus, and this  
15 language itself is the method.

16 And I think, again, I'd like to go back to one  
17 of the claims, your Honor. We've looked at the '572,  
18 but I would also like to look at the '605 because I  
19 think this is another claim that really explains why  
20 these are method steps. We see on the left-hand side  
21 here -- actually -- okay. So this is '605, claim one.  
22 On the left-hand side we had the apparatus. We see the  
23 tape drive, the preamble that then begins comprising to  
24 stepper motors, to tape spool supports, and then it says  
25 a controller controlling energization.



1                   And then on the right side it says with the  
2     controller energizing both motors to selectively rotate  
3     one of the motors from one or more angular steps in a  
4     direction of rotation to rotate its respective spools,  
5     and goes on and describes there the rotation that occurs  
6     and discusses the monitor monitoring, and then it says  
7     with the controller controlling the number of steps each  
8     motor advances. And what's described in this claim here  
9     is a method of operation. It's describing a first  
10    printing operation that needs to occur, it then  
11    describes the transport of the ribbon to place a second  
12    region of the tape adjacent to the first region, it then  
13    has a second printing operation that occurs, and it says  
14    that this must be done for efficient usage of the tape.

15                  And so, if I can skip ahead again, this is  
16    identical language that's found in the method claim.  
17    The position that Zipher took on this was that this was  
18    the plain meaning should be given to this term, so why  
19    does it matter. Well, I mean, I would say it's black  
20    letter law that if this is a method step the claim is  
21    invalid.

22                  But there is an inherent ambiguity also that  
23    is attendant in this claim. You see here that many  
24    aspects of this claimed operation that are described in  
25    the '605 patent are actual steps taken by the user. The

1 user will decide the size of the image that's going to  
2 be printed on the ribbon. The user is going to  
3 determine the width of the ribbon that's going to be  
4 used. And the user is going to set the gap between the  
5 successive prints. And so it's unknown whether there is  
6 sufficient use of tape, and Mr. Glitzenstein will talk a  
7 little bit more about that --

8 THE COURT: Let's hold off on that --

9 MR. DILLON: Yes, till later. But the issue  
10 is, whatever that standard means, it can't be determined  
11 until after this print operation actually occurs. This  
12 is not describing the capability of a controller. This  
13 is describing a printing operation. And when you look  
14 at the language that's used, we're not seeing words like  
15 a controller adapted to be able to have these specific  
16 functional capabilities. We're describing here in the  
17 '605/1 the actual operation of the frame. And that's --

18 THE COURT: You're thinking, your point is  
19 that someone reading this patent would be confused about  
20 whether they can permissibly build this or whether they  
21 only infringe by using it. Your position is that's what  
22 you think a reasonable person reasonably skilled in the  
23 art reading this patent would say, I don't know, I might  
24 be able to build this, but I might not. Maybe I'll only  
25 infringe if I use it. That's your point.

1 MR. DILLON: I have two points, your Honor.  
2 One is that that's not the legal test. But secondly, as  
3 to this specific patent --

4 THE COURT: But that's what the purpose, I  
5 understand what the legal test is, but I thought we  
6 acknowledged at the beginning of the argument that why  
7 do we have this, according to the Federal Circuit, and I  
8 defer entire to the Federal Circuit, in IPXL they  
9 explain why this is a problem. And the explanation that  
10 they give is because a person can't really tell whether  
11 they infringe by making the machine or by using the  
12 machine. And that's an important thing for people to  
13 know. And so we want to keep the categories of patents  
14 distinct and we don't want people mixing them up, and  
15 that's the reason why.

16 So, in trying to answer a difficult  
17 application of the standard, I recognize that that's not  
18 the standard, it is useful to ask, why do we have the  
19 standard? And if this is the reason why we have the  
20 standard and we have to apply it to your case, it's  
21 useful asking, given that there may be some apparent  
22 difficulty in applying the standard, let's look at it in  
23 light of its purpose, okay, and I'm not seeing how  
24 there's any reasonable possibility here that somebody  
25 looking at this would be confused about this. They

1 would know that if I build something with this capacity  
2 I infringe.

3 MR. DILLON: But, your Honor, on that very  
4 point, is that when it's built at the manufacturer's  
5 facility, or is it as the user configures it to use in  
6 full actual operation, or is it actual operation. Those  
7 are three different points because many of these  
8 parameters are set by the user. How wide is the tape.  
9 What is the gap between the tape that's set by the user.  
10 How big is the image that's used. So how it's actually  
11 configured by the end user is different than how it  
12 would be as it left the factory.

13 And, so, knowing this is important to being  
14 able to resolve whether there's infringement of the  
15 manufacturer versus the user as is configured versus the  
16 actual operation of the --

17 THE COURT: I wish you had put some of these  
18 things in your briefs, so, I mean, you don't have a clue  
19 about this argument that you're raising now, there's not  
20 a hint of this argument in your brief. Is there? If it  
21 is there, show we where it is.

22 MR. DILLON: I don't believe we, this is the  
23 response --

24 THE COURT: I mean, you just come in and try  
25 to, you know, I mean, your arguments, to the extent

1 they're even interesting to me, are all new arguments  
2 that are not set forth in your brief. That's, I guess,  
3 the struggle I'm having here.

4 MR. DILLON: Your Honor, we did have --

5 THE COURT: I think you've got some real --  
6 look, I think you're doing a really nice job of arguing  
7 a really weak argument. I don't know if we should spend  
8 a lot more time arguing it, but it is frustrating to me  
9 that you're drawing out all these arguments that aren't  
10 in your brief at all, and you would think if those were  
11 the principal basis for arguing your point, it would be  
12 in your brief somewhere. Because I did read your brief  
13 like 40 times. I spent about, I probably spent over a  
14 week of my time, more than 40 hours just getting ready  
15 for this argument, and it's a little frustrating for me  
16 when people pop in with new things that they, if they  
17 were important, they should have put in their brief.

18 MR. DILLON: Your Honor, may I just remind  
19 you, we were not allowed to file a reply brief here --

20 THE COURT: Yeah, but why did you need to know  
21 what they were going to say in response? I could have  
22 predicted what they would say in response. They didn't  
23 say anything unusual or unpredictable. You set this  
24 stuff out in your principal argument and -- so I'm  
25 understanding, and I'll have to hear what they have to

1 say about it, but what you're really saying here is how  
2 you energize and how you control are things that are  
3 determined entirely by the user. It's not the  
4 capability of the machine, it's that the user actually  
5 energizes and actually controls and all that. Is that  
6 the argument that you're making?

7 MR. DILLON: Your Honor, you asked me a  
8 specific question as to why this matters, and that's why  
9 I was trying to address this. And yes, I do think it  
10 makes a difference. I think that when you look at --

11 THE COURT: Am I correct that you are saying  
12 that the controller controlling, it's not the controller  
13 that controls, it's the user that controls. It's the  
14 user that energizes. It's the user that calculates.  
15 It's not the controller.

16 MR. DILLON: No, I'm not saying that. What  
17 we're saying, your Honor, is that some of the parameters  
18 that would be used by the controller are set by the end  
19 user, and so there would be a factory machine that  
20 leaves the factory, but what the end user does with it,  
21 the end user chooses what size spool to put on the  
22 ribbon. The end user decides what the gap is going to  
23 be. There's a default that the user sets that the end  
24 user will decide, you know, what size image to put on  
25 it. And I apologize that we didn't anticipate this as

1 being the court's concern and we'd certainly be willing  
2 to submit supplemental --

3 THE COURT: No.

4 MR. DILLON: Okay.

5 THE COURT: You have one shot. You get 50  
6 pages. You should be able to identify what your  
7 principal arguments are in 50 pages.

8 MR. DILLON: But, your Honor, I want to just  
9 keep getting back to the language in the method claims.  
10 I know that the court has indicated it's not a very  
11 persuasive point, but I'd ask that you'd reconsider that  
12 point after this hearing because when you take the same  
13 language, and as a matter of claim instruction, the same  
14 language in a method claim where it's admittedly a  
15 method step, it has to be, it's in a method claim, it's  
16 going through, if you look at the method claims in  
17 Zipher's patents, the same language is appearing again  
18 in the --

19 THE COURT: If they had said a method claim  
20 whereby one of the steps you use the following structure  
21 with the following function, that would, you couldn't --

22 MR. DILLON: That's not the situation, though,  
23 your Honor.

24 THE COURT: That's effectively what it is.

25 MR. DILLON: I think if you look at their

1 claims, and let me pull up one.

2 THE COURT: I don't have a lot of experience  
3 with method patents, but you could definitely have a  
4 methods patent that has as one of its steps the use of a  
5 machine.

6 MR. DILLON: Sure.

7 THE COURT: So, and that's what that language  
8 is talking about there in the method part of the claim,  
9 which isn't the claim that we're being challenged as  
10 invalid here, so, I mean, that's why I haven't been  
11 focusing on the method claim. But, again, since I  
12 haven't, you didn't brief it and I couldn't study it, I  
13 haven't gone back to look at it exactly, but that you as  
14 a method step, identify a structure and a method of  
15 using that structure, it doesn't surprise me and it  
16 doesn't make the disclosure of the structure in the  
17 apparatus claim a method step.

18 So that's why I don't, I mean, I'll go back  
19 and think about it some more, but I -- it doesn't strike  
20 me as a legitimate argument. I mean, I look at your  
21 briefs here. I'd say you have legitimate arguments on  
22 points two and three here, and that's where we probably  
23 ought to be spending most of our time. This argument is  
24 a, strikes me as a contrivance that is very weak and  
25 that is a distraction, as a lot of things that Markem



1 does, it's a distraction from focusing on the real  
2 issues. And, so, I mean, you're doing a very nice job  
3 of presenting these arguments, but I don't find them  
4 persuasive.

5 So I'll think about it some more in light of  
6 what you said, but I don't know that we ought to spend a  
7 lot more time on it. If there's something new or  
8 different that you want to add --

9 MR. DILLON: No, your Honor, I would ask that  
10 you look at the method claims. I think we put in our  
11 brief, our opening brief, the analogous method claim. I  
12 would ask you to look at that language and look at  
13 the --

14 THE COURT: Pull up your slide where you, the  
15 one argument I want to explore most carefully with the  
16 other side is your argument that based on the claim  
17 structure there is a disclosure of function at the  
18 beginning of that claim element and that subsequent  
19 references must be references to process. So let me  
20 hear what they have to say about that, and then if there  
21 is something further, you can respond, okay?

22 MR. DILLON: Thank you, your Honor.

23 THE COURT: So what do you make of that point?  
24 I know it wasn't in the brief, so you didn't have a  
25 chance to prepare for it, but what's your response to

1 it?

2 MS. STOLL: If it's okay, I'd like to pull up  
3 a slide. I think that that would be --

4 THE COURT: Okay, but, you know, I want to be  
5 sure you understand. This slide that I wanted you to  
6 comment on, you understand his point. His point is that  
7 the green language is functional language adapted to  
8 control energization, and that the red language  
9 therefore would be redundant and couldn't be construed  
10 as language of function, it has to be construed as  
11 language of process, and that's your point, right?

12 MR. DILLON: Yes, your Honor.

13 THE COURT: Okay, so, I need you to respond to  
14 that specific argument. Do it any way you want, but  
15 respond to that specific argument.

16 MS. STOLL: If you look at the MEP case and  
17 look at the claim language there, it parallels the claim  
18 here.

19 THE COURT: Okay, let me get it.

20 MS. STOLL: And --

21 THE COURT: Hang on, hang on, hang on.

22 MS. STOLL: If I could have the slides, I  
23 could bring that language up for you.

24 THE COURT: What page is it?

25 MS. STOLL: If you look at the slides, I have

1 slides for --

2 THE COURT: Yeah, I understand, but I'd like  
3 to see it in the case, so.

4 MS. STOLL: In the case it's on page 1375.  
5 May I approach with the slides?

6 THE COURT: You can hand them up, that's fine.

7 (Pause.)

8 THE COURT: All right, go ahead.

9 MS. STOLL: Okay, so in that case the claim  
10 that the Federal Circuit looked at, and I'm talking  
11 about the apparatus claim, had language including a  
12 pipeline processor for executing instructions  
13 comprising, and one of the elements was a conditional  
14 execution decision logic pipeline stage. And then later  
15 in the claim, it says the conditional execution decision  
16 logic pipeline stage performing a boolean algebraic  
17 evaluation. My point is simply that just because the  
18 claim refers to that same structure again later in the  
19 claim and uses active verbs like performing or  
20 controlling, it doesn't make it a method claim. It's  
21 still a functional limitation which the Federal Circuit  
22 has said identifies the capability of the structure.  
23 So --

24 THE COURT: Stop for a second.

25 MS. STOLL: In the MEP case --

1 THE COURT: Stop for a second.

2 MS. STOLL: Yes.

3 THE COURT: Yeah, the Federal Circuit didn't  
4 take up this argument. Do you agree?

5 MS. STOLL: I agree.

6 THE COURT: Okay. Because I'm not finding any  
7 reference to it on 1375. I don't even see the quoted  
8 language of claim seven. I see a discussion of claim  
9 seven. So I will have to go back into the earlier part  
10 of this.

11 MS. STOLL: My point is that if you look at  
12 that claim, you will see that it mentioned the same  
13 structure twice with functional language following that  
14 structure.

15 THE COURT: Okay, the functional language is  
16 what?

17 MS. STOLL: So, if you look at the slide, I've  
18 highlighted it, what's the functional language and  
19 what's the structure. So in the slide you'll see  
20 there's the red language. That's the structure. The  
21 conditional execution decision logic pipeline stage.  
22 And then the functional capability follows it.  
23 Performing a boolean algebraic evaluation.

24 THE COURT: All right, wait. So where is the  
25 functional language first used at the beginning of the

1 claim?

2 MS. STOLL: Where it says a conditional  
3 execution decision logic pipeline stage, and it  
4 continues to go on in the claim, earlier in the claim.

5 THE COURT: Where, I'm sorry, I don't see that  
6 on here. So the phrase in your slide, a conditional  
7 execution decision logic pipeline stage.

8 MS. STOLL: Yes.

9 THE COURT: Okay.

10 MS. STOLL: I'll grab the case because I don't  
11 have the full claim in the slide. I apologize for that.

12 THE COURT: The conditional execution decision  
13 logic pipeline stage. What is a conditional execution  
14 decision logic pipeline stage, what is that?

15 MS. STOLL: That's the structuring claim.

16 THE COURT: Okay, then what's the functional  
17 language in that?

18 MS. STOLL: For the first element?

19 THE COURT: Yes.

20 MS. STOLL: Let me grab it. I apologize. I'm  
21 going to grab the claim. This is claim seven, and  
22 that's on page 1371 of the decision.

23 THE COURT: Yeah, I've got it.

24 MS. STOLL: Okay, good. And so it says, okay,  
25 a conditional execution decision logic pipeline stage,

1 at least one instructional execution pipeline stage  
2 prior to said conditional execution decision pipeline  
3 stage. And then later it says the conditional execution  
4 decision logic pipeline stage performing a boolean  
5 algebraic evaluation of the condition code, and said  
6 conditional execution specifier and producing an enabled  
7 right with at least two states. True and false. So  
8 there are multiple functions --

9 THE COURT: Okay, you've lost me, you've lost  
10 me. I see claim seven having as a pipeline processor  
11 for executing instructions comprising a conditional  
12 execution decision logic pipeline stage which is the  
13 structure. Right?

14 MS. STOLL: Yes.

15 THE COURT: And then I see a reference, if you  
16 have the opinion, you go down one, two, three, four, the  
17 fifth paragraph beginning the conditional execution  
18 decision logic pipeline stage, and then specifying the  
19 functional language, right? Okay. But I don't see the  
20 earlier reference to the functional language.

21 MS. STOLL: I understand what you're saying.  
22 I'm looking at that lower paragraph and there's two  
23 different functions there. There's both the performing  
24 function and also the producing function.

25 THE COURT: Okay.

1 MS. STOLL: And so the conditional execution  
2 decision logic pipeline stage is introduced earlier in  
3 the claim, and then later there's two different  
4 functions. And I had not heard this argument before  
5 either, and I imagine if I look through the cases I can  
6 find more instances of this. But it reads --

7 THE COURT: But this doesn't respond to his  
8 argument. His argument is not that disclosing the  
9 structure at the beginning and then disclosing the  
10 structure with function later is redundant. His point  
11 is, he says, our claim is different because it does have  
12 functional language at the beginning, which this seven  
13 doesn't, and therefore the later references can't be  
14 simply the re-disclosure of the function, it must be  
15 re-disclosure of the process. That's his argument.  
16 This point you're making doesn't respond to that  
17 argument. Not that I'm aware of.

18 MS. STOLL: I understand. I guess I was  
19 thinking that because the fifth or sixth element down in  
20 the claim seven in the opinion talks about two different  
21 functions. It talks about both performing and  
22 producing. It's not just one function, but that  
23 responds a little bit to his argument, but I understand  
24 your point.

25 THE COURT: Our's has three. Our's has

1 controlling, calculating, and I can't remember the third  
2 one off the top of my head, but --

3 MR. DILLON: Energizing.

4 THE COURT: Energizing. So, our's has three  
5 functions. So, I mean, I don't think his argument is  
6 right, but I don't think this point in any way supports  
7 the position that it's not right. Do you have any other  
8 arguments as to why his point is not right?

9 MS. STOLL: I'm not aware of any cases that  
10 hold that way, and I don't think that you can look at a  
11 claim, and there's no case law that I'm aware of that  
12 says you can only have a functional description of a  
13 claim element one time in a claim, or else you're going  
14 to convert it into a method --

15 THE COURT: I think he would rely on cases for  
16 a more general proposition. What he was saying is that  
17 you can't construe separate claim elements to basically  
18 say the same thing, that would not be proper, but I'm  
19 not sure that that principal, which I think is a correct  
20 principal of patent claim construction, is not  
21 applicable here. But I think that's what you're relying  
22 on, right, you're relying on the general principal that  
23 you don't construe multiple elements in a claim to claim  
24 the same thing because that would be redundant and you  
25 don't do that, so --



1 MR. DILLON: That's correct, your Honor.

2 THE COURT: -- to the extent that they are  
3 doing something, they must be serving some different  
4 function, and here the function being served is to  
5 specify a process element because you already pled the  
6 structure or the function relating to the structure.

7 MS. STOLL: But this is a different function,  
8 and so, yes, earlier in the claim.

9 THE COURT: I'm sorry, could you put up his  
10 slide again, because I'm not sure you're understanding  
11 what he's saying.

12 MS. STOLL: I do, I think --

13 THE COURT: Well, then, let's put up the slide  
14 because what you're saying is not responsive at all.  
15 You see where it says here, a controller adapted to  
16 control energization of said two motors, okay. His  
17 point is, I agree, adapted to control energization,  
18 that's function. That's what you're saying, right?

19 MR. DILLON: Correct, your Honor.

20 THE COURT: I agree, that's function, that's  
21 not a process step. Then he goes on to say, and because  
22 they put in the next phrase, wherein the controller  
23 energizes, he's saying that can't mean merely to specify  
24 a controller that has the capability of energizing.  
25 That must mean an instruction to a process step where

1 you actually energize the device, and that must be so  
2 because the earlier clause already identified the  
3 function. That's his argument. And I just want your  
4 response to that argument.

5 MS. STOLL: I have just one response I have to  
6 that is that the Federal Circuit has held that language  
7 like the language in this claim, wherein the controller  
8 energizes both said motors with an active verb followed  
9 by structure, the Federal Circuit has said, including in  
10 the MEP case, that that is identifying a capability.

11 THE COURT: Yeah, it looks like capability to  
12 me. That's the problem I have with it. I say people  
13 reasonably reading this, are not going to understand  
14 this to mean a process step, they're going to understand  
15 it to mean a capability that identifies the desired  
16 function that that capability flows from -- excuse me,  
17 the function that a particular capability that this  
18 device has.

19 So, that's how I look at it, in a common sense  
20 reasonable reading of the language in its entirety. But  
21 he did throw me with this new argument that wasn't  
22 presented in his brief that I at least need to think  
23 about, so.

24 Okay, is there anything else you want to say  
25 in response to his point?

1 MS. STOLL: I would just like to point out a  
2 little bit more, point out some of the language of the  
3 claims in the cases and compare that to the language in  
4 our case and tell you where I think the difference is  
5 between cases where the Federal Circuit has found IPXL  
6 applies and cases where they haven't, and I'll be very  
7 brief.

8 THE COURT: Okay.

9 MS. STOLL: Okay. So, I'd like to start on  
10 Rembrandt if that's okay, because we had talked a little  
11 bit about Rembrandt. So I just want to point out that  
12 if you look at the Rembrandt case and you look at the  
13 last element which we have reproduced pertinent parts of  
14 it here with the paragraph structure as in the --

15 THE COURT: Do you agree with his point that  
16 Rembrandt is different from Katz and IPXL in that it  
17 identifies a data transmitting device transmitting the  
18 trellis encoded frames rather than a user?

19 MS. STOLL: I agree that that is a difference.

20 THE COURT: And so you agree with his follow  
21 on point that therefore user operation can't be a  
22 requirement for a, to make a, what appears to be a  
23 functional claim in fact a method step.

24 MS. STOLL: I agree with that.

25 THE COURT: Okay.

1 MS. STOLL: In the Rembrandt case, if you look  
2 at the last limitation, I've identified what's been the  
3 method limitation in blue. Do you see that there's no  
4 structural noun there. It just says transmitting the  
5 trellis encoded frames.

6 THE COURT: Well, but the structure is the  
7 data transmitting device.

8 MS. STOLL: Well, the device itself is  
9 actually performing that step, but there's no structural  
10 noun. If you look at our claim in contrast, you have  
11 the controller energizes, the controller calculates.  
12 There's structure followed by functional language that  
13 describes --

14 THE COURT: This is the transmitting device  
15 transmitting. It's very much like a controller  
16 controlling.

17 MS. STOLL: Well, I would submit that it is  
18 different, and the fact that there's no structural noun  
19 immediately preceding transmitting suggests that it's  
20 intended to be a method step. Of course there's the  
21 other argument, too, that the parties --

22 THE COURT: But if it's true, you can construe  
23 it just as if that other language weren't there. It  
24 would be a data transmitting device transmitting, right,  
25 according to your slide. I haven't gone back to look at

1 it, but.

2 MS. STOLL: I think the fact that there is a,  
3 there's particular ways that claims are drafted, and the  
4 fact that there isn't a structural noun before the word  
5 transmitting is further evidence that it was intended to  
6 be a method term, and the parties didn't dispute it as  
7 you pointed out, so we really can't put a lot of weight  
8 into that anyway.

9 THE COURT: I mean, that's, I think Rembrandt  
10 is entitled to very little weight because it doesn't  
11 explain in any way, and it appears that the point was  
12 not even contested by the parties, and therefore I'm not  
13 inclined to give substantial weight to it. Instead I'm  
14 inclined to rely on Katz and MEP and IPXL which seem to  
15 be the major cases that do attempt to analyze and  
16 explain to people why this is so. But let me just see  
17 if I can get this actual claim language in Rembrandt.

18 (Pause.)

19 THE COURT: Okay, if you look at the way this  
20 language actually works, your slide actually hurts your  
21 case because it doesn't actually construe the claim  
22 correctly. If you look on page 1339 of the opinion, the  
23 actual claim language -- this is claim three, isn't it?

24 MS. STOLL: I think that it is claim three.

25 THE COURT: All right, so you look at it. The

1 first sentence is a data transmitting device for  
2 transmitting signals corresponding to an incoming stream  
3 of bits comprising elements one, two, three and four and  
4 transmitting. So, the way you would distinguish this  
5 is, this involves structure comprising and a method step  
6 transmitting, and that's very different from our case,  
7 extraordinarily different. But that's not the point  
8 you're making here.

9 MS. STOLL: I'm trying to distinguish this  
10 case. I'm explaining why it is that we don't have a  
11 method step. So I'm not trying to use this Rembrandt to  
12 prove that I have a method step, I'm using it to say,  
13 yes, there is a --

14 THE COURT: I understand, but the argument,  
15 the way to make the argument, and I think I can easily  
16 distinguish this case, is that the claim at issue in  
17 Rembrandt involved a claim that was comprised of three  
18 structural elements and a method step of transmitting,  
19 which is very different from our case which doesn't use  
20 the language comprising the following structural  
21 elements and energizing, and that's the way to  
22 distinguish this case. So I agree, it clearly is  
23 distinguishable and I'm not going to rely on it in  
24 reaching my decision here, okay?

25 All right, what else did you want to tell me?

1 MS. STOLL: I'm going to next talk about the  
2 MEP case. I just want to note the similarities there  
3 between --

4 THE COURT: You've got me already on MEP. You  
5 don't need to say anything. I've read it. I think it's  
6 the most important useful case explaining IPXL. I think  
7 it's more useful than Katz, frankly, because it doesn't  
8 deal with the apparatus claim in MEP, it dismisses MEP  
9 and distinguishes it by only referring to the method  
10 claim in MEP when what we're interested in is the  
11 apparatus claim, so.

12 All right, anything else on this point?

13 MS. STOLL: Do you have any questions for me?

14 THE COURT: No, thank you. All right, let's  
15 go to the second argument. You want to respond?

16 MR. DILLON: I just want to make one short  
17 point, your Honor. I think you're absolutely right  
18 about the issue there with respect to '572/1, and even  
19 if you were going to go a different way on the other  
20 claims, that claims is very explicit about the  
21 capability and then function in first step. And I just  
22 wanted to put, this was not a new argument. We raised  
23 it on page 14 of our original brief and it was not  
24 really substantively addressed much in response, and the  
25 reason is, that is a very difficult claim for them

1 because in the same claim you do have the same  
2 capability, the capability step followed by the  
3 functional description, and that functional description  
4 adds nothing, and that's the same thing when you look at  
5 the MEP case. The Microprocessor case is the exact --

6 THE COURT: You read your brief as having  
7 included that. I've got to tell you that I as someone  
8 who has read it many times don't read it to include that  
9 argument.

10 MR. DILLON: Your Honor, the top of the page  
11 14 it says, the former describes the capability of the  
12 controller and the latter describes the --

13 THE COURT: Okay, you've made your point but  
14 it's not usually a good idea to argue with the judge and  
15 tell him he doesn't understand how to read your brief  
16 correctly. You made your point for the record. To the  
17 extent you're trying to preserve some argument that I'm  
18 not saying that you waived by not -- but you didn't  
19 raise it clearly, you didn't raise it in a way that, I  
20 mean, I'm not a stupid person, I spent 40 hours reading  
21 these cases, reading these briefs. I didn't understand  
22 your argument to be made in there, so you didn't make it  
23 clearly enough. I mean, your job is to persuade me,  
24 right, and if you don't make it in a way that I can  
25 understand, you're not doing your job.



1 MR. DILLON: And I apologize, your Honor, I  
2 didn't mean to offend you.

3 THE COURT: It's just not a good idea to just  
4 tell me, you know, you're wrong, judge, I did make it,  
5 it doesn't really serve any purpose, especially when you  
6 make it, if you do, so obliquely as you did there.

7 All right, you want to make your next  
8 argument?

9 MR. GLITZENSTEIN: Your Honor, Kurt  
10 Glitzenstein, I'll be addressing the second and third  
11 indefiniteness arguments this morning.

12 I guess we're back up on the screen. Your  
13 Honor, we tabbed the binder and we're at tab two now.  
14 And slide 54, and just to sort of set the table a little  
15 bit on this issue, this is the Halliburton issue, that's  
16 sort of the shorthand, I guess we could also fairly call  
17 it the General Electric/Halliburton issue which is a --

18 THE COURT: Can functional claiming be  
19 indefinite even if it's not at the point of novelty?

20 MR. GLITZENSTEIN: Oh yes, absolutely

21 THE COURT: So whether it's at the point of  
22 novelty is irrelevant. The issue is whether it's  
23 indefinite. Functional language at the point of novelty  
24 can potentially raise an anticipation problem under  
25 Section 102, but that's not what we're arguing here.

1           MR. GLITZENSTEIN: That's correct, your Honor.  
2     It's the holding of the General Electric case, the  
3     functional language at the point of novelty --

4           THE COURT: Yeah, but I guess what I'm saying  
5     is General Electric would also recognize that functional  
6     language that is indefinite under paragraph two of  
7     Section 112 is indefinite and renders the patent invalid  
8     whether it's at the point of novelty or not.

9           MR. GLITZENSTEIN: True, your Honor. I think  
10    that it's when, though, the function --

11          THE COURT: And when functional language at  
12    the point of novelty, whether novelty is relevant  
13    depends on whether you're making a claim under Section  
14    102 for lack of novelty, and it is true that if you have  
15    a disclosed structure and a function, and the only thing  
16    that distinguishes that patent from a prior patent claim  
17    is the functional claiming, if the functional claiming  
18    is inherent in the structure, you can't have a valid  
19    patent because the prior art discloses all functions of  
20    the disclosed structure, right, all inherent functions  
21    of the disclosed structure.

22          MR. GLITZENSTEIN: If I'm understanding the  
23    court's hypothetical, yes, your Honor, that would be a  
24    separate basis --

25          THE COURT: All right, let me try to be clear,

1     okay. And this is why I think you guys, you're  
2     misdirecting things. You've got a valid argument or an  
3     interesting and important argument but you're  
4     misdirecting it.

5                 When one wants to argue that my patent, this  
6     patent that I'm challenging here is invalid because it  
7     doesn't do anything new and different because there's a  
8     prior patent that already covers it, one brings a claim  
9     for anticipation under Section 102, right?

10                MR. GLITZENSTEIN: Yes, your Honor, we have  
11     separate defenses along those lines.

12                THE COURT: Okay. And when one makes that  
13     argument, one makes it by saying if I have a patent that  
14     has a structure and a function, and one wants to say  
15     that there's a prior patent that has all of the  
16     disclosed structures in it, one would say the prior  
17     patent anticipates the current patent because all of the  
18     disclosed structures in the current patent are in the  
19     prior patent, and the functional language claimed in the  
20     new patent is inherent in the structures that are  
21     disclosed, and because it's inherent in the structures  
22     that are disclosed, the new patent is anticipated by the  
23     old patent, and that's because the structures that are  
24     covered by the patent include any functions that are  
25     inherent in those disclosed structures. Right?

1 MR. GLITZENSTEIN: Yes, your Honor, that's how  
2 I'd understand --

3 THE COURT: And that's when there's a  
4 potential problem of novelty and that's where the point  
5 of novelty comes into play.

6 Here's my problem. I think that you guys are,  
7 you don't rely sufficiently on Swinehart in trying to  
8 understand what's really going on here. And maybe we  
9 can get through this part of it quickly and get on to  
10 what I think is a more interesting argument.

11 There is -- it is not a categorical rule that  
12 -- well, let's start broadly and move specifically. You  
13 agree of course because the Federal Circuit has said it  
14 many times, that there's nothing inherently wrong with  
15 functional claiming.

16 MR. GLITZENSTEIN: Yes, your Honor.

17 THE COURT: Okay. Do you agree that there is  
18 not a categorical rule that functional claiming at the  
19 point of novelty is always improper. Is your position  
20 categorically all functional claiming at the point of  
21 novelty is categorically improper unless it's under  
22 112.6?

23 MR. GLITZENSTEIN: Yes, your Honor.

24 THE COURT: That's your position. I'm going  
25 to spend an hour probably trying to basically beat you

1 up on that and explain to you why that's wrong, okay,  
2 that is wrong, because let me try to go quickly to the  
3 heart of it for me. I thought about this a tremendous  
4 amount and if you look, the treatise that I think really  
5 captures this well -- see, I wish we could spend our  
6 time on the important things but, you know, it's because  
7 you argue things that you don't need to argue and take  
8 positions that you don't need to take that we end up  
9 getting distracted. You've read the Swinehart case?

10 MR. GLITZENSTEIN: I have, your Honor.

11 THE COURT: All right. It's a very, very  
12 important case in describing when functional claiming is  
13 acceptable and when it isn't, right?

14 MR. GLITZENSTEIN: It is one of them, your  
15 Honor, yes, I think General Electric is also another  
16 one. I think the Halliburton Energy case which also  
17 discusses Swinehart and tries to address this very issue  
18 is also important.

19 THE COURT: You think Chisum is a good source  
20 on patent law, don't you?

21 MR. GLITZENSTEIN: Chisum has its strengths in  
22 some areas but it's not a perfect source.

23 THE COURT: I think -- I like Chisum on this  
24 point because Chisum really says, again, what's the  
25 problem with functional claiming, what are the problems.

1 And he reads the, he reads General Electric and the  
2 Halliburton Supreme Court case and the Swinehart and the  
3 Halliburton Federal Circuit case, it reads all those  
4 cases and comes to the conclusion that there are really  
5 three problems potentially with functional claiming.  
6 One is the, a problem with definiteness, and we're going  
7 to get -- that's what I think this case, your argument  
8 is about. The other is the problem of the, let me get  
9 the exact way he describes it. He says it's a potential  
10 Section 112.1 problem of the way you describe the patent  
11 in sufficient terms that it can be built, which we don't  
12 have here, that's not what we're talking here. The  
13 second problem is the problem of inadequate disclosure  
14 under the first part of 112 -- excuse me, I've got those  
15 reversed. It's 112.2 and 112.1, enablement and  
16 definiteness. And then finally functionality may  
17 present a problem of novelty and non-obviousness. The  
18 mere recitation of a newly discovered function of  
19 property inherently possessed by things in the prior art  
20 does not cause a claim drawn to those things to  
21 distinguish over the prior art.

22 Those are the three problems that Chisum sees  
23 with potential problems with functional claiming. Do  
24 you agree that those are the three problems?

25 MR. GLITZENSTEIN: Yes, your Honor.

1           THE COURT: And the one you're raising is a  
2 112.2 paragraph problem of definiteness.

3           MR. GLITZENSTEIN: Yes, your Honor.

4           THE COURT: It's not a problem of novelty.

5           MR. GLITZENSTEIN: Yes, Honor.

6           THE COURT: Okay.

7           MR. GLITZENSTEIN: This is a problem that  
8 flows from their decision not to avail themselves of  
9 112.6 in this case. It's sort of the natural --

10          THE COURT: Now, if we set aside the problem  
11 of novelty, here's why I think that the, whether  
12 functional claiming at the point of novelty or not is  
13 definite, is the issue. And functional claiming, no  
14 matter how definite it is, is invalid if it's at the  
15 point of novelty. What you've done is you've taken a  
16 holding of the case and applied it without thought to  
17 the purposes that underlie the definiteness requirement.  
18 And what I'm trying to convince you of here is that  
19 whether at the point of novelty or not, if the  
20 functional claiming is sufficiently specific to alert a  
21 person reasonably skilled in the art as to what the  
22 additional structure that's implied by that function is,  
23 it will be sufficient, whether it's at the point of  
24 novelty or not. So if you specify a function that  
25 someone skilled in the art would necessarily know can be

1 done one way and one way only, and it's everybody who  
2 understands that function, that whether that's at the  
3 point of novelty -- if it's at the point of novelty it  
4 can still be valid because it doesn't present an  
5 anticipation problem, because it implies a structure  
6 that is not inherent in any previously disclosed  
7 structure, okay? So if you've got a structure element,  
8 a controller, okay, and the controller energizes, which  
9 is the functional, part of the functional language here,  
10 right, and a person reasonably skilled in the art would  
11 -- and suppose the energization is something that  
12 controllers had never done before, they weren't -- and  
13 they don't work that way, there has to be some inherent  
14 additional structure implied by that function, say, for  
15 example, if you had a special purpose computer that was  
16 your controller, and there was an algorithm that had to  
17 be written in order to energize, and everybody knew that  
18 an energization algorithm, if there's only one that  
19 works, and when you specify controller energize and you  
20 know a controller that includes this algorithm, and that  
21 algorithm is new and not in this combination before,  
22 that would be a valid patent even though it is  
23 functional claiming at the point of novelty. Does that  
24 -- do you understand that at all?

25 MR. GLITZENSTEIN: I was following up until



1     that last conclusion. I do submit that in General  
2     Electric the fact that the functional language, the  
3     attempt to distinguish over the prior art, and here's  
4     maybe some, a way for me to address the broader  
5     question, but I think I see where your Honor is going  
6     with the more specific question and I can move to that  
7     as well.

8                 So, with regard to the broader question, the  
9     point of novelty is a little bit different than this  
10    issue of inherency or an inherent function in the prior  
11    art. What the point of novelty is going to is, is the  
12    thing that distinguishes over the prior art captured in  
13    a functional way in the claim. That was the issue --

14                THE COURT: And I think that's the wrong  
15    question. It's not automatically, and you're not going  
16    to persuade me of this, so you might as well just go on  
17    because I thought about this for days and days. It is  
18    in fact my view that whether at the point of novelty or  
19    not, if the functional claiming is sufficiently, implies  
20    a structure that a person reasonably skilled in the art  
21    would understand what that structure is, it is not  
22    invalid for lack of definiteness. It may be invalid for  
23    lack of novelty if in a prior patent that structure is  
24    disclosed, and what the inherent, the functional  
25    language talks about is something that's inherent in

1 that device, it may be invalid under 102 but it's not  
2 indefinite under 112.2, and whether that's at the point  
3 of novelty or not. So indefiniteness looks at the same  
4 question it looks at with the question of insolvable  
5 ambiguity. It asks the question of whether a person  
6 reasonably skilled in the art would read this claim term  
7 in the context of the claim in the broader patent and  
8 understand what it is so they can know what the  
9 invention is and what they can do without infringing the  
10 invention. And the debate here, which is a legitimate  
11 one it seems to me, is whether controller -- energizing,  
12 controlling and calculating, whether those functional,  
13 that functional language would be understood by a person  
14 reasonably skilled in the art to identify what that is.  
15 So if it's a general purpose computer is your controller  
16 and everybody understands that a general purpose  
17 computer can function to energize, then that's great.  
18 You have no problem. You could then come back and argue  
19 anticipation. I can show you another patent where they  
20 used the general purpose computer as the controller and  
21 did all of these exact same things, and it might not be  
22 novel simply because you've specified the structure if  
23 it's inherent in the way a general purpose computer  
24 operates, but the debate here is, I mean, here you have  
25 included some discussion of it in your brief, but you

1 spent all this time trying to argue this point that  
2 there's a categorical rule that functional claiming at  
3 the point of novelty is invalid; that I think is a  
4 distraction, a waste of time and wrong. And I'd rather  
5 focus on what I think is the right argument, which is  
6 whether at the point of novelty or not, this is  
7 functional language, and functional language presents  
8 real problems. It can be used in certain cases, but we  
9 have to be sure that the functional language can be  
10 understood by, I don't want to not say sure, I don't  
11 want to confuse anybody that I misunderstand the burden  
12 of proof, patents presumed to be valid, it requires  
13 clear and convincing evidence that they're not valid,  
14 lack of definiteness, all of that, I'm not trying to --  
15 I don't want someone to misconstrue what I'm saying as  
16 having misunderstood that point, but the fundamental  
17 problem here that we ought to be spending our time  
18 discussing is the question of whether functional  
19 language energizing, calculating, controlling tells  
20 somebody reasonably skilled in the art something about  
21 how to build this device essentially, and if it's so  
22 indefinite that it would capture every foreseeable way  
23 in which those things can be done in the future and  
24 nobody can tell where the boundaries of it are, then  
25 it's going to be indefinite. But it's not, I don't just

1 look at it and say is this at the point of novelty, is  
2 it functional. Done. I can go home. I just don't  
3 believe that that is true. And you are making that  
4 point.

5 MR. GLITZENSTEIN: We are making two points,  
6 your Honor, and I can move from, that's our broad point,  
7 and I can move from the broad to the specific.

8 THE COURT: Other than citing to General  
9 Electric, how do you make this point?

10 MR. GLITZENSTEIN: The -- I'm sorry?

11 THE COURT: I recognize that the language in  
12 the opinion, in the opinions use this at the point of  
13 novelty, but why is that, that is not necessary to the  
14 holding of either case, and it is in my mind not  
15 determinative of the definiteness problem.

16 MR. GLITZENSTEIN: And, your Honor, I don't  
17 want to take away any of my time from the second point,  
18 but to address this General Electric point, the  
19 suggestion, I have read Judge Rich's dissent in the  
20 Fisher case from 1962 and I do recognize that he labeled  
21 this language in General Electric dicta, but of course  
22 the majority in that same case relied on this very  
23 language in General Electric to reach the result that he  
24 was dissenting from. But even the language itself in  
25 General Electric is not dicta because in that case the

1 thing that allegedly distinguished the claim from the  
2 prior art in that case was functional language. So it's  
3 not dicta in the sense that --

4 THE COURT: The Federal Circuit has never held  
5 that functional claiming at the point of novelty is, per  
6 se, renders a claim per se invalid for lack of  
7 definiteness. The Federal Circuit has never held that.

8 MR. GLITZENSTEIN: The Federal Circuit has  
9 adopted the language of General Electric and  
10 Halliburton, not the Halliburton oil well case, but in  
11 2008, the Federal Circuit did acknowledge the continued  
12 vitality of that law, and actually did acknowledge  
13 Swinehart in connection with that. They say at, again  
14 it's Halliburton Energy, 514 F.3d. If I can get the pin  
15 cite on this. It looks like it's 1255. They do  
16 continue --

17 THE COURT: Claim language is either definite  
18 enough or it's not definite enough. Whether it's at the  
19 point of novelty doesn't answer the question. It's  
20 either indefinite or definite. And functional, that's  
21 why this, at the point of novelty is a, a part of the  
22 problem that deals with anticipation that's not being  
23 litigated here.

24 MR. GLITZENSTEIN: Not today.

25 THE COURT: Well, I don't know if I'm going to

1 give you anymore chance to litigate things because I'm  
2 not giving you a chance to litigate incrementally in  
3 perpetuity to try to string this thing out for 20 years.  
4 I've given you more time than almost any other case I've  
5 worked on over the last three years and I'm not sure I'm  
6 going to continue to give you time. My inclination is  
7 if you lose this invalidity challenge, we'll set the  
8 case for trial, let's go, you know, try the case,  
9 because help -- you're unwilling to settle, you're  
10 unwilling to work on efforts to resolve things, and you  
11 incrementally, you know, every time I resolve one thing,  
12 you come up with more arguments. So don't assume that I  
13 am going to give you a chance to argue anything else.

14 MR. GLITZENSTEIN: Your Honor, we do  
15 appreciate the --

16 THE COURT: Because I asked you in the meeting  
17 months ago what is your strongest best most significant  
18 argument, and the one you're presenting today was the  
19 one you told me about.

20 MR. GLITZENSTEIN: We laid out the three  
21 arguments, in summary form we laid out the summary  
22 arguments that are our motion today, yes, your Honor.  
23 But just to this point, you know, as to the continuation  
24 vitality of this it does, the Federal Circuit still does  
25 recognize that this is a vice, the notion of pure

1 functional claiming at the point of novelty. It's a  
2 separate argument. We're making two really here. One  
3 is of course the notion that the functional language  
4 that we're talking about here is the void of structure.  
5 This is an issue that was of course litigated previously  
6 as a part of the Markman hearing in this case. They  
7 were given the opportunity to avail themselves of the  
8 safe harbors offered by 112.6 as part --

9 THE COURT: All that I concluded with respect  
10 to controller was that the 112.6 did not apply to it.  
11 That's all I said.

12 MR. GLITZENSTEIN: And as part of that  
13 argument they have recognized that the structural aspect  
14 of the controller and monitor terms is found only in the  
15 words controller and monitor. And so they're not --

16 THE COURT: You argue the use of the term  
17 controller and monitor were equivalent to control means  
18 and monitoring means, and that therefore they were  
19 subject to 112.6. That was your argument and I found  
20 that unpersuasive.

21 MR. GLITZENSTEIN: Because, your Honor, the  
22 detailed level that the functions are recited in these  
23 claim terms is such that the terms themselves do not  
24 reflect adequate structure to perform those functions.  
25 This is really just a back --

1           THE COURT: That's the issue we're here to  
2 discuss. It's not an issue that was resolved at the  
3 prior hearing.

4           MR. GLITZENSTEIN: Oh no, I'm sort of turning  
5 to that issue now. I mean, this whole notion that the  
6 principal, Halliburton was --

7           THE COURT: Let's stop. 112.6 is a device  
8 that Congress created to allow people to engage in broad  
9 functional claiming without losing the ability to  
10 enforce their patent. It just specified that if you do  
11 engage in that kind of broad functional claiming, you  
12 are restricted to the structures disclosed in the  
13 specification. That's what 112.6 does. It doesn't say  
14 functional claiming is otherwise improper. It says you  
15 can do functional claiming that's not subject to 112.6.  
16 You agree with that, right?

17           MR. GLITZENSTEIN: I don't read that in the  
18 statute, your Honor, no.

19           THE COURT: Wow.

20           MR. GLITZENSTEIN: I think that --

21           THE COURT: All right, we'll have to get out  
22 some of the cases. Let's start with MEP I guess. They  
23 specifically talk about, the Federal Circuit makes very  
24 clear that one can engage in functional claiming that is  
25 not subject to 112.6 without the patent being invalid.



1 If you're saying that's not true, we need to go back and  
2 look at some very basic case law.

3 MR. GLITZENSTEIN: I'm not, your Honor. Your  
4 question was whether the statute provided it, and I just  
5 want to be very clear in my answer. Swinehart and other  
6 cases do make clear that some types of functional --

7 THE COURT: Look, I have to follow what the  
8 Federal Circuit says, right? I'm not free to disregard  
9 Federal Circuit precedent, am I?

10 MR. GLITZENSTEIN: No, your Honor.

11 THE COURT: Does the Federal Circuit make it  
12 abundantly clear that one can choose to use functional  
13 language that will be subject to 112.6, or one can  
14 choose to use functional pleading that is not subject to  
15 112.6 and it can still be a valid patent?

16 MR. GLITZENSTEIN: Yes, of course.

17 THE COURT: Okay. So I have to follow that  
18 Federal Circuit law. So I have to assume that that's  
19 true, right?

20 MR. GLITZENSTEIN: Yes.

21 THE COURT: Just because you don't see it in  
22 the United States doesn't -- I mean I'm not free to say,  
23 you know, Swinehart and MEP and Halliburton, Federal  
24 Circuit is wrong about that, I'm just going to ignore  
25 that. I can't do that because in all of those cases

1 they acknowledge one can engage in functional claiming  
2 that's without invoking 112.6.

3 MR. GLITZENSTEIN: In certain circumstances  
4 that's true. For example, where there is sufficient  
5 structure in the claim itself to perform the function,  
6 that's one scenario where 112.6 would not apply despite  
7 the fact that there's functional language, that's true.  
8 Swinehart gives a different example of functionality,  
9 which the term there of course was transparent, and the  
10 CCPA in that case, not the Federal Circuit, the CCPA in  
11 that case --

12 THE COURT: But I'm bound to follow CCPA law.

13 MR. GLITZENSTEIN: Yeah, the Federal Circuit  
14 in South Corp. says that CCPA authority is also  
15 precedential. But the point with Swinehart, though, was  
16 the term there was transparent. That's functional  
17 language. It's not the functional language that we're  
18 seeing here, though. It's functional language where the  
19 court went to the specification. The question there was  
20 whether there was infrared transmissivity I guess it is  
21 through this particular material. And in that case they  
22 looked at the specification and there they said, well,  
23 the term transparent is actually defined in the  
24 specification and therefore that passed scrutiny.

25 THE COURT: It becomes a claim construction

1 problem like any other. You look at the functional  
2 language and you ask whether a person reasonably skilled  
3 in the art would understand what the meaning of that  
4 language is.

5 MR. GLITZENSTEIN: Would understand what  
6 structure would --

7 THE COURT: Right.

8 MR. GLITZENSTEIN: Now here, here we already  
9 know the answer to that question. The answer is no.  
10 Because in the course of claim instruction in this case,  
11 they vigorously resisted all of our 112.6 argument  
12 saying as part of that that the structure, all they  
13 needed to show was that the word controller and the word  
14 monitor, standing alone, presented sufficient structure  
15 that a person of skill in the art would understand that  
16 there's something. They've never taken the position  
17 that all of the functional language in and of itself  
18 would convey sufficient structure to a person of skill  
19 in the art. In fact, they said to the contrary. They  
20 said the structure is found in the controller, and the  
21 word controller and the word monitor, and these claims  
22 are loaded with functional language that goes well  
23 beyond that, and that issue has been resolved  
24 effectively by the positions that they've taken in --

25 THE COURT: I'm sorry, I wish issues were

1 resolved, but they're not. To say that they are  
2 resolved I think is a misstatement.

3 MR. GLITZENSTEIN: From our perspective, your  
4 Honor, we would submit that they've conceded that point.  
5 I mean, I could take the court to the passage in the  
6 claim construction hearing, it's in our brief --

7 THE COURT: Well, I don't even understand the  
8 point. You're saying they conceded, you say they have  
9 conceded by prior positions they've taken in this  
10 litigation that the functional language at issue here is  
11 -- does not imply any additional structure other than  
12 that disclosed in the claim which is a monitor and a  
13 controller. So that's all they need to disclose.  
14 There's no implied additional structure in that  
15 functional language and that point is resolved. Is that  
16 what you're saying?

17 MR. GLITZENSTEIN: That's our position, your  
18 Honor.

19 THE COURT: Okay. Now, do you disagree with  
20 that or are you saying that the controller, the  
21 functional language doesn't add anything in terms of  
22 structure to what is disclosed, it's like a general --  
23 controller is, that's all we need in terms of structure.

24 MS. STOLL: I don't agree with that. I think  
25 the --

1 THE COURT: You're saying they imply some  
2 additional structure?

3 MS. STOLL: Yes. That further limits what the  
4 structure is and then have to perform that function.  
5 Additionally I don't recall that we made any admissions  
6 of that kind. And from reading their brief, I didn't  
7 see that this was an issue. So in some ways I'm not  
8 prepared to concede anything on that today. And I don't  
9 think we conceded anything in our claim construction  
10 briefing.

11 THE COURT: All right, we may be not even  
12 understanding each other.

13 MR. GLITZENSTEIN: Your Honor, I've got slide  
14 70 from our presentation up on the screen, and this is  
15 just some colloquy from the claim construction argument  
16 that goes to this issue, and this is Mr. Jakes's  
17 argument to you on the left where he says I think the  
18 term controller is understood in the art and people can  
19 look at something and say it's a controller or it's not.  
20 And in addition to that we have additional limitations  
21 in these claims that specify what the controller has to  
22 do. There's nothing wrong with having functional  
23 language in the claim in addition to structure. That's  
24 what they were arguing. They said that --

25 THE COURT: Well, I think that is true if

1     that's what the situation is. I do think it is  
2     acceptable to plead a controller that operates in a  
3     particular way and have a claim. And if the controller  
4     is, you don't need to have a specified -- say, for  
5     example, the controller is a general purpose computer.  
6     If the controller performs that function without any  
7     special new additional structure such as a specified  
8     algorithm, then merely saying a controller that  
9     energizes, that isn't invalid, that isn't indefinite,  
10    there is no problem with that except you're going to  
11    argue come your next brief if I give you one, okay,  
12    judge, now that we've finally pinned them down to that,  
13    let me show you a prior patent that has a controller  
14    that's a general purpose computer and that does all  
15    these same things, and therefore it's anticipated by the  
16    prior art.

17               But there isn't -- do you think there's  
18    something inherently wrong, if it is true, that one  
19    identifies, has a claim that includes as a structural  
20    element a general purpose computer that performs the  
21    following function, and the function that's performed is  
22    something that any general purpose computer can do.  
23    That you include that functional language doesn't render  
24    your claim invalid for lack of definiteness.

25               MR. GLITZENSTEIN: And moreover, your Honor,

1     that's --

2                   THE COURT:   You agree with that?

3                   MR. GLITZENSTEIN:   I do.   And that's the  
4     situation, your Honor, where 112.6, by its terms apply.  
5     You've got some function and you've got structure  
6     sufficient to perform that function.   So even applying  
7     the statute quite literally you would say that's not  
8     even 112.6 language.   But here that's not --

9                   THE COURT:   It's not subject to 112.6.   It's  
10    ordinary functional claiming which doesn't render a  
11    claim invalid.   It might if, if all of the prior  
12    structures were disclosed in a prior patent render the  
13    claim invalid for lack of novelty, but if the specified  
14    function inheres in the disclosed structure, there's  
15    nothing wrong, and a person reasonably skilled in the  
16    art would understand that.   There's nothing wrong with  
17    that.

18                   And likewise there's nothing wrong with  
19    pleading functional language that does imply additional  
20    structure as long as a person reasonably skilled in the  
21    art looking at that language in context would understand  
22    what that structure was.   The problem, and why I think  
23    the argument you should be making but you're making in  
24    only like one page out of your brief, is where is the  
25    evidence to suggest that a person reasonably skilled in

1 the art would understand how a controller energizes a  
2 motor, how a controller controls a motor, how a  
3 controller calculates something. There's no evidence  
4 about that. And a person reasonably skilled in the art  
5 wouldn't understand how those things are done, and  
6 that's why this is not definite enough. It's not that  
7 because it's functional claiming. That requires special  
8 consideration, but it neither renders it invalid or not.  
9 It's not because it's at the point of novelty that it's  
10 functional claiming. That isn't a categorical rule  
11 either. It's a kind of pleading that requires special  
12 consideration and you have to look at it carefully to  
13 determine whether a person reasonably skilled in the art  
14 would not only understand the function, but understand  
15 the structure that's disclosed by that functional  
16 claiming, and that structure can either be no additional  
17 structure other than the monitor, or it can be some  
18 additional implied structure other than the monitor that  
19 a person reasonably skilled in the art would understand.  
20 And where you win is if it's neither of those things, it  
21 implies some additional structure that a person  
22 reasonably skilled in the art would not understand.

23 MR. GLITZENSTEIN: But, your Honor, as part of  
24 the claim construction, they have taken the position  
25 that --



1           THE COURT: Okay, are you understanding, am I  
2     at least communicating in a way that you can understand,  
3     or am I just babbling on here to you? I've set out an  
4     analytical framework that is the way in which I believe  
5     this problem should be analyzed. Do you understand the  
6     analytical framework that I've set out? Have I been  
7     clear enough in explaining it?

8           MR. GLITZENSTEIN: I do. Where I would submit  
9     the law is otherwise is in the scenario, I think it was  
10    your second scenario where you have a claim term which  
11    is generic -- which recites some structure but not  
12    sufficient structure to perform the recited function,  
13    okay, to the extent that term is not construed in view  
14    of 112.6, which is our situation here, on the principal  
15    of Halliburton that functional language or as a  
16    consequence of not reciting sufficient structure in the  
17    claim itself to perform the recited function, we submit  
18    that that is invalid.

19          THE COURT: Even if, you would say that is  
20    true even if the functional language is so clear to a  
21    person reasonably skilled in the art that they would  
22    understand there's only one structure by which that  
23    function can be performed? It's hard for you to make  
24    that argument because you're going to be wrong if you  
25    try to make it, I mean --

1                   GLITZENSTEIN: I'm struggling, your Honor,  
2 with trying to just even get my mind around where there  
3 would be only one, you know, particularly where in that  
4 scenario it wouldn't be novel, so, at least as I'm --

5                   THE COURT: Well, it could be novel because it  
6 depends on what the prior art is. I at this point am  
7 blind essentially to the prior art because you haven't  
8 made your anticipation argument. So I don't know what  
9 it is that you say requires that you -- you're making a  
10 claim that I think they disagree with that it's the  
11 functional language here that makes this novel. They  
12 don't agree with that. I don't know whether that  
13 argument is true or not. You didn't brief it. You just  
14 assume it to be true. They don't respond to it. I have  
15 no idea whether the functional language -- you say this  
16 functional language doesn't make -- isn't what makes  
17 this invention novel. Is that fair to say?

18                  MS. STOLL: I so think, well, I think there's  
19 differences between the prior art and the claim, and I  
20 think part of it is the functional language, yes.

21                  THE COURT: Is it what is necessary to make it  
22 novel?

23                  MR. GLITZENSTEIN: Your Honor --

24                  THE COURT: I do work with patent lawyers and  
25 I do actually get along with them well. We understand

1 each other. I've worked with some really good ones.  
2 Bill Lee is a great patent lawyer I've worked with,  
3 really admire. I seem to be able to communicate with  
4 him. So I'm not, you know, I'm not completely ignorant  
5 about patent law. I don't know why we can't have these  
6 basic discussions.

7 MR. GLITZENSTEIN: Your Honor, if I might, we  
8 did raise the issue of the importance of functionality  
9 to the patentability of these claims.

10 THE COURT: She apparently agrees with you  
11 that the, I thought she wouldn't agree with this because  
12 it's a concession I wouldn't make if I were in her  
13 position, but maybe she knows -- she's basically saying  
14 this functional language at the point, is at the point  
15 of novelty here. So, if you're saying that that's --

16 MS. STOLL: Excuse me, can I please, I want to  
17 make sure I'm being clear. I'm saying that's one of the  
18 differences between the claims in the prior art. There  
19 are -- I've seen the prior art that Markem's expert is  
20 relying on in this case, and that is one of the  
21 differences.

22 THE COURT: If you excise the functional  
23 language, would this be patentable?

24 MS. STOLL: There are other differences.

25 THE COURT: So you disagree about that point?

1           MR. GLITZENSTEIN: But fundamentally, your  
2 Honor, we briefed this over five pages of our brief,  
3 from around page 30 to around page 35, they had no  
4 response to it in their reply brief at all.

5           THE COURT: I don't find it to be anything  
6 close to adequately briefed. You don't cite the prior  
7 art, you don't tell me which patent was infringed, you  
8 don't tell me it would be anticipated by. I haven't had  
9 any discussion of that prior art. I have no idea what  
10 that's talking about.

11           MR. GLITZENSTEIN: We based it on the prior  
12 art in the intrinsic record. There are references to it  
13 throughout our brief --

14           THE COURT: Yeah, but it doesn't come close to  
15 going through the way you -- if you were going to  
16 present an anticipation argument to me, you wouldn't  
17 present it in those five pages. You would lay out here  
18 are the claim elements of the prior art. Here are the  
19 claim elements of our -- of this patent. This is  
20 anticipated by this. That's how you would make that  
21 argument. I've had anticipation cases before.

22           MR. GLITZENSTEIN: The claims, your Honor, in  
23 general with regard to the structural aspects of the  
24 claim, there are very few elements. There are tape  
25 spool supports, there are one or two stepper motors,

1     there is a controller and there is a monitor, and  
2     everything is functional. There is nothing in any of  
3     those structural components that distinguishes these  
4     claims from the prior art.

5                 Your Honor, I've got, we went through this, we  
6     have, you know, for example, I have up on slide 71 --

7                 THE COURT: I'm just trying to get some  
8     agreement about basic things, okay? I have an  
9     analytical structure, okay, I understand we disagree  
10    about this. You maintain that categorically if a claim  
11    contains functional language at the point of novelty, it  
12    is per se invalid for lack of definiteness.

13                MR. GLITZENSTEIN: That's one of our  
14    positions, your Honor, yes.

15                THE COURT: Okay. So that's one argument on  
16    which we respectfully disagree, okay. I understand why  
17    you say that because you, in my mind, mindlessly, but  
18    you pick up language from Supreme Court opinions which  
19    are not holding and have not been followed by the  
20    Federal Circuit and are inconsistent with the Federal  
21    Circuit case law in my view, so I just disagree with you  
22    on that point, but respectfully so, I understand why you  
23    do it.

24                So, let's set that aside. You've noted for  
25    the record that disagreement that you have with me on

1 that point.

2 But I've tried to set out this analytical  
3 structure in which I think you have a reasonable chance  
4 of prevailing, I don't know whether you do or not yet,  
5 but if I'm right about this analytical structure, if  
6 you're right about our disagreement, you prevail  
7 because, well, if the issue of point of novelty is  
8 conceded or adequately briefed, we can talk about that  
9 if we need to, but the analytical structure that I'm  
10 working from is one that says that the way you analyze a  
11 problem of a lack of definiteness is the same whether  
12 you're dealing with functional language or structural  
13 language. It is -- asks the question whether a person  
14 reasonably skilled in the art would understand the,  
15 sufficiently understand the disclosed structure. The  
16 only difference with functional claiming is, it doesn't  
17 disclose directly structure. It can do one of two  
18 things. It can either simply specify the function of  
19 the previously disclosed structure, or it can imply some  
20 additional structure. That's what the function -- it  
21 can do one of those two things.

22 MR. GLITZENSTEIN: And --

23 THE COURT: And do you agree with that much at  
24 least, that's what functional language can do, it  
25 doesn't --

1                   MR. GLITZENSTEIN: Yes, your Honor. But  
2 functional language can either just recite sort of  
3 what's inherently part of a generic structural  
4 component, or it can go beyond, which is our case here  
5 we would submit. It can go well beyond that and it can  
6 add --

7                   THE COURT: We will get to that, we will get  
8 to that, but it can do one of those two things.

9                   MR. GLITZENSTEIN: Yes, sir.

10                  THE COURT: And if it merely recites the, if  
11 it merely specifies a function that's inherent in the  
12 disclosed structure, it's not indefinite for that  
13 reason.

14                  MR. GLITZENSTEIN: No, your Honor.

15                  THE COURT: It may be invalid for other  
16 reasons, but it's not indefinite for that reason.

17                  MR. GLITZENSTEIN: That would not be a  
18 circumstance of indefiniteness.

19                  THE COURT: And so if it -- but if it does  
20 imply structure, then the question, you answer the  
21 question of whether the claim is indefinite because of  
22 the functional claiming by asking yourself whether a  
23 person reasonably skilled in the art would understand  
24 that functional claiming to specify a sufficiently  
25 definite structure to satisfy the definiteness

1 requirement.

2 MR. GLITZENSTEIN: In that situation, your  
3 Honor, yes, and in this case -- as a general  
4 proposition. In this case, that issue has been  
5 addressed. And I have again --

6 THE COURT: Okay, let me stop you, okay. You  
7 have said that, I thought you were saying earlier in the  
8 argument that, judge, they've conceded in prior  
9 positions that their functional language doesn't imply  
10 any additional structure. They've taken the position,  
11 you've told me, I thought on prior arguments, that their  
12 functional claiming doesn't have any additional  
13 structure other than the controller and the monitor.

14 MR. GLITZENSTEIN: Yes, your Honor.

15 THE COURT: Okay. And if that's so, that  
16 doesn't make it invalid for lack of definiteness. If  
17 that's true, then the validity of the patent has to rise  
18 or fall on the structures disclosed, the monitor. And  
19 you would make a -- but I think your argument really is  
20 not that that's what we have here, that's not the  
21 situation we have here, judge. I think your argument is  
22 that implies an additional structure, and we can't  
23 identify what that structure is. We don't know whether,  
24 if this monitor is a circuit, how does a person  
25 reasonably skilled in the art take a circuit and make a



1 particular energize, calculate, control. If it's a  
2 general purpose computer, what's the algorithm by which  
3 they do A, B and C. And the first part of Katz is an  
4 interesting discussion, if you remember, about a  
5 computer essentially, and when you need to have an  
6 algorithm and when you don't need to have an algorithm  
7 when you specify a computer. I think the issue is very  
8 similar to that here, it's just that they substituted  
9 functional language for an undisclosed structure. And  
10 the question we ought to be asking is not all this  
11 silliness about General Electric and -- we ought to be  
12 asking what does the record in this case tell the judge  
13 about how a person reasonably skilled in the art would  
14 understand this functional language. Would they  
15 understand it to necessarily disclose a sufficient  
16 structure to render the patent not indefinite.

17 MR. GLITZENSTEIN: And at the Markman hearing  
18 your Honor asked Mr. Jakes's the question, quote, you  
19 cover every controller, so no matter how the software is  
20 written, whether somebody can up with a hardware device  
21 that controls it, every possible controller in the world  
22 that can do that function is covered by your patent,  
23 close quote. Mr. Jakes's response to you, quote, yes, I  
24 believe so as long as it's a controller, that's the  
25 structural limitation.

1           THE COURT: And if that's all that -- so then  
2     that argument has to be, then we have to be arguing is  
3     it an inherent function of the monitor here, controller  
4     rather, to do these things. If it is, then it's not  
5     indefinite. It might be invalid for other reasons, but  
6     it's not indefinite.

7           MR. GLITZENSTEIN: But that question has been  
8     answered as well. You've construed controller and  
9     monitor and you've identified passages from the IEEE  
10    dictionary for each. A controller is a special purpose  
11    computer. Those definitions didn't say anything about,  
12    anything close to the level of --

13          THE COURT: I said a control -- I used the  
14    IEEE to say it's not the equivalent of control means.  
15    That's all that I said. I said it identifies a class of  
16    structures and it doesn't identify, it's not simply a  
17    nonce word for a control means. And, so, that's what I  
18    have said about controller. I haven't gone further than  
19    that. It may be that controller -- and that's why I  
20    think the argument ought to be focusing on controlling,  
21    energizing and calculating, and asking what structures  
22    does a controller have to have to do those things, what  
23    would a person reasonably skilled in the art know about  
24    it. I mean, could I take this desktop computer here and  
25    plug it into this device and make this thing work, or is

1     there some special program that needs to be written or  
2     some special circuit design that needs to be done in  
3     order for this to happen and that those aren't disclosed  
4     and therefore they're trying to capture all of the means  
5     by which this can be done now or could be done in the  
6     future as long as the patent is in effect and bar  
7     everybody who is practicing it in any way possible.

8             MR. GLITZENSTEIN: And they've conceded  
9     exactly that point, your Honor. They've conceded that  
10    it covers every controller, every possible controller in  
11    the world. That's exactly the problem here.

12            THE COURT: And that could be okay if, that  
13    could be okay under Katz, for example, if the controller  
14    is a general purpose computer and the general purpose  
15    computer can perform the function. I thought the  
16    Federal Circuit said in Katz that's just fine, it's only  
17    if there's a, if a person reasonably skilled in the art  
18    would understand that there is a need for a specific  
19    algorithm. Let me see if I can find Katz here. Man, I  
20    find working on this case so frustrating. And I like  
21    patent cases, I really enjoy them, but I'm just  
22    frustrated unbelievably with this case.

23            (Pause.)

24            THE COURT: Yeah, I thought the discussion in  
25    Section 1 of Katz dealing with computers and general

1 computers and special computers is a really interesting  
2 discussion that sort of helped me think about this  
3 problem. I recognize our problem is a somewhat  
4 different one, but the court talks about by claiming a  
5 process or program to perform a specialized function  
6 without disclosing the internal structure of that  
7 processor in the form of an algorithm, Katz's claims  
8 exhibit the overbreadth inherent in open-ended  
9 functional claims. Then, but then the court goes on to  
10 say we reach a different conclusion with respect to the  
11 district court's analysis of claims, and they list a  
12 number of claims there. Absent a possible narrower  
13 construction of the terms processing, receiving and  
14 storing discussed below, those functions can be achieved  
15 by any general purpose computer without special  
16 programming. As such it was not necessary to disclose  
17 more structure than the general purpose processor that  
18 performs those functions.

19 Now, these were 112.6 and we were looking at  
20 going into the specification. But the general point,  
21 the distinction there I think is a very useful one for  
22 me in trying to figure out this problem. I've said this  
23 is not a 112.6 situation. I'm not limiting it to the  
24 specification. I'm talking about the general principles  
25 underlying that distinction that the court made. And I

1 think that that distinction is one that I have to  
2 analyze here and I have to ask myself whether there were  
3 terms like processing, receiving and storing. Our terms  
4 are energizing, controlling and calculating. You know,  
5 calculates, I'm not using the exact form but you  
6 understand what I'm saying. Energizes, controls,  
7 calculates. And what the court was saying there is, in  
8 that case those functions could be performed by a  
9 general purpose computer and you didn't need to specify  
10 anything more than that.

11 And so what I'm trying to figure out is, is  
12 the function of energizing, the function of calculating,  
13 the function of controlling, are those -- what does the  
14 record tell me about whether those are things that can  
15 be done by a general purpose controller, or are they  
16 something that need require a special purpose  
17 controller. If they do, then you would ordinarily --  
18 you'd have to ask whether this tells you enough  
19 disclosure of structure. And there's a real question  
20 whether it does. And if they can't -- if these are  
21 things that a reasonable person skilled in the art would  
22 understand are performed by a general purpose  
23 controller, then you arguably don't need to disclose any  
24 additional structure. And that's what the question  
25 turns on in the end. Not all these other things that

1 you have spent the last two hours talking to me about.

2 MR. GLITZENSTEIN: Your Honor, so when I was  
3 referring, just to sort of reset the table on this from  
4 my perspective, when I was referring to the exchange  
5 that you had with Mr. Jakes, that's captured on slide 70  
6 our of presentation materials, that was of course  
7 against the background of this very question. Our  
8 position throughout Markman was precisely this. That  
9 the functional language in these claim terms at issue is  
10 not sufficiently definite, conveys no sufficient  
11 structure to a person skilled in the art to perform the  
12 functions recited in those claims. That was our  
13 position --

14 THE COURT: But why don't I have from each of  
15 you an expert in this field that has testified that a  
16 controller is understood to be A, B and C, and a  
17 controller performs this function in the art, and this  
18 energizing a motor, you know, that's something -- that's  
19 nothing fancy, special. That's what a controller does,  
20 one of many things a controller does, a general purpose  
21 controller, it energizes motors. It calculates from a  
22 table something. That's what general purpose  
23 controllers do. And so this functional language isn't  
24 disclosing any implied additional specialized structure  
25 like an algorithm, because we don't need one to do this.

1 And that's what I -- that's what they should be arguing.  
2 And then you should be arguing we need more to know what  
3 -- there are five million ways in which one could  
4 energize something and a general purpose controller  
5 doesn't do that. You need to have some specific  
6 programming or you need to have some circuit diagrams,  
7 and that's what people in the art understand, and this  
8 doesn't tell us anything. That's what the dispute  
9 should be. But that's not what it is.

10 MR. GLITZENSTEIN: Well, your Honor, we have  
11 presented all of that in connection with the claim  
12 construction briefing, you know, from the perspective of  
13 what the intrinsic record teaches and whether there is  
14 sufficient structure. We went through the myriad  
15 functional details of these claims. Their response was  
16 simply all we need to do is disclose the modest amount  
17 of structure of controller and monitor.

18 THE COURT: And they're right if a person  
19 reasonably skilled in the art would understand that this  
20 is a general controller and that this is a function that  
21 a general controller performs. That's why I'm looking  
22 to this, do you see why I'm looking to this analogy to  
23 Katz even though it involves specification, even though  
24 it's a 112.6 and involves construing language in the  
25 specification, the underlying principle seems to apply

1 here.

2 MR. GLITZENSTEIN: We have, for example,  
3 definitions of controller, just to use that example,  
4 because I think that's where the bulk of the functional  
5 language is found in the claims at issue here. There  
6 was some evidence that was exchanged on that as part of  
7 Markman, and we made the point as part of Markman that  
8 the structure that is reflected in those ordinary  
9 meanings is simply not enough to perform these  
10 functions. It doesn't turn -- these are not inherent  
11 properties of a controller that, for example, I have  
12 claim one of the '572 up, that it calculates a length of  
13 tape to be added or subtracted. I mean, that's  
14 self-evident. And if I recall the exchange with your  
15 Honor correctly, at the Markman hearing your Honor was  
16 making the observation in substance that the Federal  
17 Circuit authority, you know, may not require very much  
18 structure, and so the issue turned on whether there was  
19 any structure at all in these claim terms, I'm  
20 acknowledging I'm oversimplifying a little bit to make a  
21 point, but the argument that we strenuously made  
22 throughout was that the words even adopting Zipher's  
23 experts definitions of these terms just simply doesn't  
24 convey the structural meaning that is so detailed -- I'm  
25 sorry, the functional meaning that is so detailed in



1     these claims.

2                   THE COURT: Did you read -- are you familiar  
3     with the Aristocrat --

4                   MR. GLITZENSTEIN: I have, your Honor, read  
5     it.

6                   THE COURT: -- Technologies case? Again, this  
7     is another case that I think is useful. The parties  
8     don't seem to rely on it to any extent, but, thus the  
9     district court will need to define the relevant art and  
10    the level of ordinary skill in the art, then it will be  
11    presented upon remand with two questions in construing  
12    the limitation control means. First, would a person of  
13    ordinary skill in the art understand the word controller  
14    alone in the context of this invention to refer to a  
15    particular structure such as a microprocessor. If the  
16    answer is yes, further inquiry into additional details  
17    of the specification is unnecessary because there would  
18    be adequate structure in the specification. Second, if  
19    the answer to the first question is no, one must ask  
20    whether a person of ordinary skill in the art would  
21    understand the word controller in the context of other  
22    statements and descriptions in the specification to  
23    identify a particular structure, in which case again  
24    there would be adequate structure and the claim would  
25    not be indefinite. The district court might consider

1 whether the controller must include writable memory that  
2 is capable of storing the randomly ordered set of game  
3 results, et cetera, et cetera. In considering these  
4 questions the court should consider how the reference to  
5 the use of pointers, et cetera. And so what the court,  
6 the court's laying out in a 112.6 case where control  
7 means to specify and a controller is identified in the  
8 specification what has to be done at remand to talk  
9 about what a controller is, and I think it's suggesting  
10 that it use a similar process such as the one that I'm  
11 talking about here.

12 MR. GLITZENSTEIN: And I believe we've done  
13 that, your Honor. I believe that that was the record  
14 that was developed over the course of the Markman  
15 proceeding, and that's why I underscore the exchange  
16 that was had at the Markman hearing about this very  
17 issue of whether a controller conveys the requisite  
18 level of structure in and of itself to satisfy these  
19 detailed requirements of the claim. I mean, a general  
20 purpose controller or a special purpose controller  
21 doesn't inherently calculate a length of tape. That is  
22 plainly an algorithm and they've never suggested to the  
23 contrary. It doesn't calculate the length of tape or  
24 control two motors in order to maintain tape within an  
25 acceptable range of tension. I'm paraphrasing the

1 claim. It doesn't carefully position the tape for  
2 efficient use of tape. Those are all algorithms. Those  
3 are all things that come out of programming a  
4 controller. They've never suggested to the contrary,  
5 and I don't think the record would substantiate it here  
6 if they tried to. They have identified controller and  
7 monitor, and they've said there is a modicum of  
8 structure conveyed by that, and that's all we need to  
9 show. They've never gone the additional length of  
10 saying, and, the structure that is inherent in a  
11 controller performs all of the many functions in all of  
12 these asserted claims, because it's just not true. I  
13 mean, it's plain on the face of these claims --

14 THE COURT: Okay, again, at the lunch break  
15 you folks reread Aristocrat and I'll reread it, but why  
16 I think it's potentially useful to me is it's a 112.6  
17 case that deals with what control means, and then -- so  
18 we go to the specification. The specification discloses  
19 a controller. The Federal Circuit said I can't resolve  
20 the case on appeal because the district court has to go  
21 back and look at what a controller is. And it  
22 identified the analytical framework that I think applies  
23 in this case because, again, you tell me if you disagree  
24 with this, in a 112.6 case, the specification provides  
25 the structure that determines the claim. Do you agree

1 with that?

2 MR. GLITZENSTEIN: Scope of the claim term,  
3 yes, your Honor.

4 THE COURT: And whether the -- the  
5 specification itself can be indefinite and therefore in  
6 a 112.6 case you can have an invalidity for lack of  
7 definiteness if the specification itself is indefinite.

8 MR. GLITZENSTEIN: If it fails to provide  
9 adequate corresponding structure for performing the  
10 function recited in the claim, yes.

11 THE COURT: And the test for indefiniteness in  
12 that case is the same as it is to a regular patent  
13 that's not a 112.6. You look at the structures  
14 disclosed in the specification and analyze them for  
15 definiteness the same way you would analyze a  
16 definiteness challenge to an apparatus patent that's not  
17 subject to 112.6. So, if that is true, and Aristocrat  
18 involved control means and therefore was 112.6, and the  
19 disclosed structure was a controller, and the Federal  
20 Circuit, that perform certain functions, and the Federal  
21 Circuit gave guidance as to how one ought on remand to  
22 go about analyzing the questions of whether the  
23 specification of a controller was indefinite, the  
24 analytical model would be the same one that we would use  
25 here if I reject your point that per se function at the

1 point of novelty renders the claim invalid. If you get  
2 beyond that, it would seem that Aristocrat would be a  
3 roadmap for how to analyze a problem of a controller.

4           So, let's take a lunch break. You read it and  
5 think about it and come back and answer that question  
6 for me. And, you know, I'm sorry that we have to take  
7 so long, but it's that I'm a very stubborn person as you  
8 have known from dealing with me for many years. I try  
9 to think about things as hard as I can, and I try to  
10 figure them out, and sometimes my way of thinking just  
11 is not, maybe because I'm completely wrong which I will  
12 acknowledge is a possibility, but the lawyers don't seem  
13 to be able to even communicate with me, and it doesn't  
14 happen often but this seems to be one of those cases  
15 where we can't work together to solve this problem  
16 because both of you have such radically different  
17 agendas that in my mind don't involve solving the  
18 problem, they involve creating problems that further  
19 complicate the situation, that we just aren't even  
20 really able to communicate. And I know you're very  
21 smart and sophisticated and expert, but we aren't even  
22 talking the same language, you know, we're just going  
23 back and forth on things that -- there's a legitimate  
24 question in my mind how to deal with this problem of the  
25 functional claiming, but it's not to call it a method

1 step, it's not to adopt a per se rule of invalidity at  
2 the point of novelty. It focuses on this. And, so, I  
3 would like to finish up with the kind of analytical  
4 framework thing quickly after lunch and then give each  
5 of you a chance, under my analytical framework, right or  
6 wrong, to show me why you should each prevail because  
7 probably I'm going to do it the way I think it should be  
8 done, whether you guys agree with it or not, and that's  
9 why we have the Federal Circuit to correct me, they are  
10 much more than expert than I am. But I'm not going to  
11 try to let you dictate for me how I should analyze  
12 problems, either of you. I'll analyze problems the way  
13 I think the Federal Circuit law requires me to analyze  
14 them, and I think I've figured out the way they want me  
15 to analyze this, and that's -- so you need to try to  
16 understand what I'm suggesting. Point out to me where  
17 it's wrong if you think I'm wrong, but then ultimately  
18 try to use that model and come back and explain to me  
19 why under that model you prevail and they can make their  
20 argument that they prevail, because chances are good  
21 that that's the model I'm going to use to decide the  
22 case at my level. Preserve what you need to to show  
23 that I'm an idiot when you go to the Court of Appeals,  
24 but I have to read the Federal Circuit cases faithfully  
25 and try to apply them, and that's what I'm going to do,

1     okay? So, let's break until 1:15.

2                   MR. GLITZENSTEIN: Thank you, your Honor.

3                   (Lunch recess taken.)

4                   THE COURT: I should have given you the cite  
5     to Aristocrat. The decision I was referring to is a  
6     Federal Appendix decision, not the one cited in Katz, so  
7     you may not have been able to understand what I was  
8     saying.

9                   This is a case, Aristocrat Technologies  
10    Australia Party, Limited versus Multimedia Games,  
11    reported at 266 Fed. Appendix 942. It involves the same  
12    patent and it just has different language in it, and  
13    that's the language that I was quoting. So you probably  
14    couldn't find the language that I was referring to and I  
15    apologize for that.

16                  So, in any event, why don't you just tell me  
17    whether the structure, recognizing you have some  
18    arguments that I don't find persuasive that you've  
19    already identified, what's your comment on the  
20    suggestion I have that in trying to analyze a claim when  
21    there is functional language used, not subject to 112.6,  
22    where the challenge is definiteness, that the way to go  
23    about analyzing that is to ask first whether the  
24    functional language is referring to a function of the  
25    disclosed structure and does not imply any additional

1 structure, or whether it is a functional claim that  
2 implies additional structure. If it's a functional  
3 claim that implies additional structure, you have to ask  
4 whether that language is sufficient not just to be  
5 understood by a person reasonably skilled in the art,  
6 but to imply the existence of sufficient structure so  
7 that a person reasonably skilled in the art would  
8 understand that structure. And that seems to be the  
9 question that we're dealing with here, is that question,  
10 that last question.

11           That's how I'm inclined to think about this  
12 because I do think it is possible to have a claim that  
13 claims something like a general purpose computer that  
14 performs certain functions, and if what you're really  
15 specifying is something that a general purpose computer  
16 is capable of doing without any special programming,  
17 that additional functional language is not indefinite  
18 simply because it's in functional form.

19           On the other hand, if you're specifying a  
20 computer as your controller and you, in order to perform  
21 the specified function you need to program that computer  
22 in a particular way, and the disclosure of functional --  
23 the functional disclosure is not sufficient to cause a  
24 person reasonably skilled in the art to understand what  
25 the algorithm is that's required to effectuate the



1 function, then the claim would be indefinite because the  
2 functional language doesn't give someone reasonably  
3 skilled in the art sufficient information to understand  
4 what it is that's prohibited.

5           So, that's the -- that's how I'm thinking of  
6 this analytically. So tell me why that's wrong.

7           MR. GLITZENSTEIN: Your Honor, I think it's  
8 largely the way that we've been approaching the issue as  
9 well. The one issue that I would want to address is the  
10 last part of what your Honor said. I did read the other  
11 Aristocrat decision over the break.

12           THE COURT: Which talks about similar things,  
13 and Katz talks -- Katz really, that portion of Katz, not  
14 the portion that you rely on but the portion that I  
15 cite, I think has really affected my thinking about this  
16 because I think the reasoning is the kind of reasoning  
17 you could apply in this kind of a context.

18           MR. GLITZENSTEIN: I think there are strong  
19 analogies to the way that the Federal Circuit addressed  
20 the issue of whether in the specification there is  
21 enough structure for the function, to the question here  
22 of whether in the claim there's enough structure for the  
23 function. The reason I wanted to single out the last  
24 piece of what your Honor said was there's -- I think  
25 this issue is actually addressed in the other

1 Aristocrat. This is 521 F.3d 1328, and at 1334 the  
2 patent owner there made a very similar argument with  
3 regard to whether the person of skill in the art  
4 essentially could fill in some gaps, you know, if the  
5 specification only talks about the function. The  
6 Federal Circuit rejected that, a notion that the person  
7 of skill in the art should have come in and fill in  
8 those gaps, and the quote is at 1334 in Section A.

9 THE COURT: If it's omitted entirely, you  
10 can't fill it in with persons reasonably skilled in the  
11 art, you can't fill in the complete absence of  
12 something.

13 MR. GLITZENSTEIN: They --

14 THE COURT: Can I ask, let me stop you for a  
15 second, can I ask my clerk. I printed out a case. It's  
16 in the printer I believe. Could you run up and get it  
17 for me. Go ahead.

18 MR. GLITZENSTEIN: They state the premise at  
19 1334, they being the Federal Circuit, that in rejecting  
20 the patentee's argument that, quote, devising an  
21 algorithm to perform that function would be within the  
22 capability of one of skill in the art, close quote --  
23 I'm sorry, and continuing, and therefore it was not  
24 necessary for the patent to designate any particular  
25 algorithm for the claim function, close quote. The

1 Federal Circuit then in the next sentence says, quote,  
2 as we've noted above, however, that argument is contrary  
3 to this court's law, close quote. So --

4 THE COURT: Well, go on and say why that is.

5 MR. GLITZENSTEIN: Well, they actually -- the  
6 difference, really, that they're drawing between  
7 enablement, which we touched on a little bit earlier  
8 very briefly, enablement and a written description or  
9 specificity. So it's not enough. We're talking here  
10 about what the claim means --

11 THE COURT: See, I didn't read it that way. I  
12 read it as what, I thought what they were trying to say  
13 was that if the function requires some kind of  
14 algorithm, and there's no reference to an algorithm at  
15 all. You can't fill that in by simply producing  
16 evidence that a person reasonably skilled in the art  
17 would understand that you need to have an algorithm,  
18 that the complete absence of something, a specification  
19 of structure is not going to be sufficient. And I just  
20 printed out another case that I think describes that,  
21 I'll come back to it, but how do you understand it  
22 because I'm not --

23 MR. GLITZENSTEIN: Well, in reading the case  
24 further it discusses this distinction at 1336 where they  
25 say, quote, although the examples given in the patent --

1     excuse me, quote, although the examples given in the  
2     '102 patent might enable one of ordinary skill to make  
3     and use the invention, they do not recite the particular  
4     structure that performs the function and to which the  
5     means-plus-function claim is necessarily limited, close  
6     quote. And I think that's important because we're  
7     talking here, and we're going to touch on this -- or not  
8     touch, we're going to talk about this a lot in  
9     connection with the insolubly ambiguous issue, the point  
10    here is definiteness and where the claim starts and  
11    ends. And so that obligation is fundamentally on the  
12    patent owner to specify. And so this is why the Federal  
13    Circuit is saying, as I understand Aristocrat, it's  
14    saying it's not enough if a person could read the  
15    functional language and come up with an algorithm that  
16    would perform the function. You have to actually  
17    disclose it. And that's what's missing here.

18               THE COURT: That's the point I was trying to  
19    make. I guess I wasn't sufficiently clear.

20               MR. GLITZENSTEIN: Well, I may have  
21    misunderstood it. But here we actually have, and I went  
22    back on the break, your Honor, as well, and I wanted to  
23    take a look at the record in this case already on the  
24    issue of controller. I reread your Honor's claim  
25    construction on that. But I also read the declaration

1 of Zipher's expert in this case on claim construction,  
2 Dr. Kuc who is here actually for the earlier case and  
3 gave a little demonstrative, and he addresses this issue  
4 of what a controller means to a person of ordinary skill  
5 in this particular art. And this is docket 40-9, it was  
6 filed as Exhibit K on February 2nd, 2011. In paragraph  
7 four he sets out his opinion as to what a controller  
8 denotes to the person of ordinary skill in the art, and  
9 that it's an electrical device that can be programmed or  
10 adjusted to energize an actuator to perform a function  
11 has inputs that indicates the actuator's state, and  
12 three, includes wires, pins or leads for input or output  
13 connections. And he goes on to say that one of ordinary  
14 skill in the art would understand that the controller or  
15 transfer printers included the class of structures  
16 including micro-controllers, application specific  
17 integrated circuits and field programmable gate arrays.  
18 But what he doesn't say, your Honor, I think what's key  
19 here and sort of applying the guidance that we get in  
20 Aristocrat, what's key is that their own expert has  
21 never said that the controller isn't something that  
22 people of skill in the art know as something that  
23 inherently performs this function, or I should say the  
24 many, many detailed functions recited in the claims  
25 themselves. So just to put a claim up on the screen on

1 this. I've got the '094 claim up, slide 77, claim two.  
2 Everything shown in red here on slide 77 is functional  
3 language in this claim. It has very little structure.  
4 It has two motors, both stepper motors, two tape spool  
5 supports and a controller, and then everything else is  
6 function. And the functions here go from not just  
7 energizing the motors, but also monitoring the motors,  
8 I'm sorry, monitoring the tension in the tapes, so the  
9 controller itself has to monitor tension in the tape.  
10 It then has to control the operation of the motors to  
11 maintain tension at an acceptable level. So this is not  
12 just a matter of a motor that causes motors to spin,  
13 this is a controller that has, as its required  
14 operational characteristics, the programming sufficient  
15 to allow it to control a path of tape extending between  
16 two spools so that the tension in that tape is  
17 maintained at an acceptable level.

18 And the examples of this sort of detailed  
19 functional specificity are found throughout the asserted  
20 claims in this case. As noted earlier some require the  
21 ability to perform a calculation. Others require the  
22 ability to position the tape in close adjacent positions  
23 on successive prints. The list goes on and on and on.  
24 And fundamentally they use the same generic term  
25 controller as the sole structure for this whole array of

1 claims that require all of these different  
2 functionalities, and Dr. Kuc's own declaration in this  
3 case shows that that --

4 THE COURT: I think that, to me that's fine if  
5 a controller is -- functions like a general purpose  
6 computer. And I'm now quoting from a case called Ergo  
7 Licensing versus CarFusion decided March 26th of this  
8 year by the Federal Circuit. In other words, a general  
9 purpose computer is sufficient structure if the function  
10 of a term such as means for processing requires no more  
11 than merely processing which any general purpose  
12 computer may do without any special programming. If  
13 special programming is required for a general purpose  
14 computer to perform the corresponding claim function,  
15 then the default rule requiring the disclosure of an  
16 algorithm applies. It is only in the rare circumstances  
17 where any general purpose computer without any special  
18 programming can perform the function, then an algorithm  
19 need not be disclosed. And that's referring to Katz.  
20 To me that's what I think this, I mean obviously the  
21 cases are different, they're 112.6 cases. They involve  
22 a computer rather than a controller. But I'm trying to  
23 use the reasoning of that case to inform my analysis of  
24 this particular problem. And the reasoning of that case  
25 suggests to me that the Federal Circuit requires for a

1 claim to be sufficiently definite in cases where you  
2 have something that works like a controller or a general  
3 purpose computer, that ordinarily you have disclosure of  
4 structure for performing a particular function unless  
5 there is a -- unless the general purpose computer is  
6 capable of performing that function without any special  
7 programming. And so the question for me here really is,  
8 we have a monitor that has certain -- excuse me, a  
9 controller that has certain functions, and the question  
10 I need to be asking is not any of these other things we  
11 talked about in the morning, it really is a question of  
12 is this a case that from the record that's been built up  
13 here, it is the case that a monitor is -- excuse me, a  
14 controller is capable of performing this without any  
15 special additional structure other than identifying a  
16 general class of structure, which is what this does. It  
17 identifies a general class of structures, called  
18 controllers, and then specifies a function that that  
19 general class of controllers performs. And if that  
20 general class of controllers can perform those functions  
21 without any special adaptations to them, then the  
22 functional language is not indefinite for that reason.  
23 But if it requires certain additional structure such as  
24 if the controller is a computer, an algorithm, or if  
25 it's a circuit, a particular circuit patent imprinted,



1 then that has to be disclosed. And I would, the point I  
2 would be making, if I were in your position is, judge,  
3 there's no way in this case you can conclude that a  
4 controller, a general class of structures that you've  
5 identified previously in response to our 112.6 argument,  
6 is capable of performing any of these functions without  
7 additional structure. And when they choose to use  
8 functional language like this, the only way that it can  
9 be definite is if either the disclosed structure is  
10 capable of performing the function without any special  
11 additions, and I can demonstrate to you that it can't,  
12 or there is some kind of, it is clear to someone skilled  
13 in the art that there is only one way of performing this  
14 function with a controller, and therefore we don't need  
15 to spell it out with any greater specificity, and this  
16 isn't one of those cases either.

17 MR. GLITZENSTEIN: So, to be clear, our  
18 position is that the failure of the claim terms at issue  
19 here, the controller terms in particular to recite an  
20 algorithm, that's the structure that is relevant --

21 THE COURT: To the extent the controller is a  
22 computer. It could be a circuit according to Zipher I  
23 believe.

24 MR. GLITZENSTEIN: It says it can be  
25 programmed. That's what their expert says, can be

1 programmed. And they --

2 THE COURT: But he also lists categories of  
3 things that aren't programmed. Didn't he list a  
4 circuit?

5 MR. GLITZENSTEIN: Of micro-controllers,  
6 ASICs, application specific integrated circuits which  
7 are programmable.

8 THE COURT: Those are programmable circuits?

9 MR. GLITZENSTEIN: And field programmable gate  
10 arrays. So, I mean the broad, the very --

11 THE COURT: So their expert, then, in your  
12 view, makes clear that this controller is a programmable  
13 device?

14 MR. GLITZENSTEIN: Yes, your Honor, the very  
15 first characteristic that Dr. Kuc identifies for a  
16 controller is that it can be programmed or adjusted to  
17 energize an actuator --

18 THE COURT: Or adjusted, what's an adjustment  
19 and how is that different from the program?

20 MR. GLITZENSTEIN: Well, Dr. Kuc doesn't say,  
21 but, you know, what is missing here are the algorithms,  
22 the structure for performing these functions in Dr.  
23 Kuc's declaration. It says it has inputs that indicate  
24 the actuator's state, and includes wires, pins or leads  
25 for input and output.

1 THE COURT: Have you included an affidavit  
2 from your expert who has explained to me why it's not  
3 possible for a general purpose computer to do these  
4 things?

5 MR. GLITZENSTEIN: Have I or will I, I'm  
6 sorry?

7 THE COURT: Have you.

8 MR. GLITZENSTEIN: We have not, no, your  
9 Honor, we've rested on their positions in this case. We  
10 opposed -- or we sought 112.6 treatment for these claim  
11 terms pointing out all of these same arguments --

12 THE COURT: I understand, but I don't think  
13 you understand my ruling on the 112.6 issue. It's very  
14 limited. It was you were arguing that the term  
15 controller is the equivalent of control means and should  
16 be treated just as if this had used the term control  
17 means in it. That was the effect of what you are  
18 arguing and therefore it should be 112.6. And the law  
19 on 112.6 is where you don't use means language, it is  
20 somewhat more difficult to bring that claim within the  
21 scope of 112.6. Do you agree with that?

22 MR. GLITZENSTEIN: Oh absolutely, yes, your  
23 Honor.

24 THE COURT: Okay. And this doesn't use means  
25 language. So you're effectively saying when they say

1 controller, they effectively -- it should be treated the  
2 same way as if they had used control means for 112.6  
3 purposes, and I was explaining to you why it doesn't  
4 because controller is a recognized class of structures.  
5 I didn't say anything more than that. I didn't say how  
6 narrow that class of structures was, and that's as far  
7 as I went on that. So I wouldn't attach too much  
8 significance to the 112.6 ruling.

9 MR. GLITZENSTEIN: The issue I was attaching  
10 significance to was the development of the response by  
11 Zipher to that, to the position that we took, which was  
12 that the functional language in all of those controller  
13 and monitor terms, but really the controller terms, that  
14 the functional language -- sorry. That the claim term  
15 itself lacks sufficient structure to perform the  
16 functional language. It's the very question that we're  
17 focused on here. Their response to that was a  
18 declaration from Dr. Kuc, and we would submit that where  
19 their own expert fails to identify in a claim  
20 construction declaration any characteristic of a  
21 controller that comes even close to the specific  
22 requirements of calculating tape lengths or adjusting  
23 tape tension or positioning prints in adjacent spaces on  
24 a tape, where their own expert sets out his view of what  
25 the term controller means, that should be binding on

1     them.

2                     And I would also point out that --

3                     THE COURT: Let's say that the controller is a  
4     programmable device, all right, it's capable of  
5     performing these functions. Is there evidence in the  
6     record that would allow me to conclude one way or the  
7     other whether a programmable device is capable of  
8     energizing, calculating and controlling the way these --  
9     without special programming?

10                    MR. GLITZENSTEIN: The evidence, your Honor --  
11     yes, is the answer. It would be paragraph four of Dr.  
12     Kuc's declaration where he does not identify the ability  
13     --

14                    THE COURT: So his failure to state under oath  
15     any general purpose computer can do these things without  
16     any special programming, you think ends the issue.

17                    MR. GLITZENSTEIN: We would submit that, your  
18     Honor. I would add also, I mean, I kept this exchange  
19     from the claim construction argument up on the screen  
20     because it too ties in with the Aristocrat point. On  
21     this very issue, this is where, again, at really the  
22     same basic question that we're discussing here arose,  
23     and your question to Mr. Jakes's was, quote, you cover  
24     every controller so no matter how the software is  
25     written, whether somebody can come up with a hardware

1 device that controls it, every possible controller in  
2 the world you can do that function covered by your  
3 patent, close quote. And his answer was, yes, I believe  
4 so as long as it's a controller, that's the structural  
5 limitation, close quote. That's an express  
6 representation in connection with achieving a result of  
7 defeating 112.6 application of these claims. And a very  
8 similar exchange occurred, remarkably similar exchange  
9 occurred actually in the Aristocrat case itself at 1336.  
10 In that case the patent owner's counsel said, quote, in  
11 response to a question from the court, Aristocrat's  
12 counsel contended that in light of the breadth of the  
13 disclosure and the specification, any micro-processor,  
14 regardless of how it was programmed would infringe claim  
15 one if it performed the claim functions recited in the  
16 means-plus-function limitation of that claim. That  
17 response reveals that Aristocrat is in essence arguing  
18 for pure functional claiming as long as the function is  
19 performed by a general purpose computer. This court's  
20 cases flatly reject that position, close quote.

21           This is exactly the same thing that's happened  
22 in this case. They've resisted the application of 112.6  
23 on the basis of saying there's one small piece, and one  
24 piece only in those claim elements, and that's the word  
25 controller, and that has sufficient structure, their

1 expert put forth a declaration where he recites what a  
2 term means for the person skilled in the art, and yes,  
3 we believe that it is dispositive in this case that  
4 nowhere in here does he suggest that a controller, as  
5 that term is understood by a person of skill in the art,  
6 would be inherently capable without programming of  
7 performing the very specific functional requirements of  
8 all these claims which dominate, these requirements  
9 dominate these claims. This is not an instance where  
10 there's a --

11 THE COURT: The only thing that I'm still  
12 unsure of in what you're saying is, you may not concede  
13 this, but I think that Zipher, to the extent that this  
14 controller was capable of performing these functions  
15 without any special programming, it would seem to me  
16 that your indefiniteness argument would fail on the  
17 grounds you've stated it, because in that case the  
18 functional language doesn't necessarily imply any  
19 additional structure. It simply specifies the function  
20 of the disclosed structure, performed by the disclosed  
21 structure without any additional structure.

22 So that part of it I think you will probably  
23 disagree with me on because you disagree with anything  
24 that might in any way help Zipher, but the only, the  
25 part I'm having a little bit of trouble with is, are you

1 saying that the -- well, I've lost my train of thought.

2 I'm going to have to try to gather it here.

3 (Pause.)

4 I finding persuasive much of what you're  
5 saying here. I'm still having problems with one little  
6 part of it and I'm trying to figure out now exactly what  
7 it was.

8 MR. GLITZENSTEIN: Your Honor, if I could make  
9 an observation which is, you know, to the extent, and  
10 I've got again slide 77 up, to the extent that their  
11 position in this case is really that the functional  
12 language is an inherent capability of any controller out  
13 there, this claim is anticipated. There's no question  
14 about that. Ms. Stoll before the lunch break suggested  
15 there was --

16 THE COURT: And that might or might not be but  
17 we'd have to have additional briefing on that.

18 MR. GLITZENSTEIN: Well, we actually did flag  
19 this, and I don't want to belabor the point I was making  
20 before lunch, but, you know, the notion, what we show  
21 here on slide 77 is that the claim has a structural  
22 component of two stepper motors, two tape spool supports  
23 and a controller, you don't need to go even beyond --

24 THE COURT: But how do I know whether  
25 something, how do I make a judgment as to whether a



1 class of structures called controllers can energize,  
2 control and calculate without any additional  
3 programming, how do I make that determination?

4 MR. GLITZENSTEIN: Well, I look to --

5 THE COURT: I look to the record and I ask  
6 what does the record disclose with respect to that.  
7 There isn't anything in the patent itself that helps me  
8 answer that question. I'm not aware of any language in  
9 the patent. Nobody has cited me to anything in the  
10 prosecution history. So what it comes down to is this  
11 extrinsic evidence in the form of an affidavit from one  
12 or more experts, right, and they tell me whether -- I  
13 know what the relevant art is here, here's the relevant  
14 art, and I know when the term controller is used, here's  
15 what a controller is, and I know what a controller does,  
16 and I know that a controller can't do these things  
17 without specialized programming. And I know that this  
18 patent doesn't disclose any of that specialized  
19 programming, and accordingly this claim is indefinite.

20 So really you've pointed me to Dr. Kuc, and  
21 that's one -- is there anything else in this record that  
22 I can rely on in trying to answer that question?

23 MR. GLITZENSTEIN: The two things being  
24 Zipher's counsel's statements at the hearing plus Dr.  
25 Kuc are the only two things that I can think of, your

1 Honor, and I would note, I mean --

2 THE COURT: You think, though, that their  
3 prior arguments to me, the way you've characterized  
4 their position is, they have been arguing, you think,  
5 that this functional language doesn't imply any  
6 additional structure. It merely is the function of the  
7 disclosed structure, and that it's a function that the  
8 disclosed structure can perform without any additional  
9 programming.

10 MR. GLITZENSTEIN: That's what they -- that's  
11 how I understood the response --

12 THE COURT: That's how you're understanding  
13 their position. If they were right about that, I'm  
14 telling you, I don't think their claim would be  
15 indefinite. It might be anticipated, but it wouldn't be  
16 indefinite. If on the other hand their claim does  
17 require in order to perform those functions, the  
18 specification of those functions is not going to be  
19 sufficiently definite because under the Katz reasoning  
20 the court says where you disclose a general purpose  
21 computer for doing something, unless the general purpose  
22 computer is inherently capable of doing that thing, you  
23 have to specify the algorithm by which it does that  
24 thing. And I think that reasoning would apply here.

25 MR. GLITZENSTEIN: Where here the algorithm

1 would have to be in the claim.

2 THE COURT: Right.

3 MR. GLITZENSTEIN: Right. Well, your Honor, I  
4 think the, just to the issue of Dr. Kuc's declaration, I  
5 think it is quite notable that he says that a controller  
6 can be programmed or adjusted to energize an actuator to  
7 perform a function. We would submit that that is a  
8 very, very generic recitation of the capabilities of a  
9 controller, and when you compare that to the myriad  
10 requirements of calculating length or positioning tape  
11 --

12 THE COURT: I would have been more comfortable  
13 if I had some evidence from your side to support the  
14 position that you can't do it without special  
15 programming, and that's why the Aristocrat case that I  
16 cited, what the Federal Circuit did was remand that one  
17 to the district court for a specific determination about  
18 whether you could perform this function with a general  
19 purpose computer or not. It's interesting that it was  
20 decided within a couple of months of the Aristocrat case  
21 that you cited and it seems to address the issue  
22 somewhat differently.

23 MR. GLITZENSTEIN: I mean, you know, the other  
24 point, your Honor, is just this notion that by their own  
25 concession at the claim construction hearing in response

1 to your Honor's question, that that amounts to pure  
2 functional claiming, and that's the Federal Circuit's  
3 language in Aristocrat, and they say there that their  
4 cases flatly reflect that position, so there, too, is  
5 another place where we see --

6 THE COURT: I think what the court means by  
7 pure functional claiming is they mean claiming a way of  
8 accomplishing -- claiming all ways of accomplishing a  
9 particular result without any disclosure of structure.  
10 That's what the problem that they're getting at there  
11 is, don't you think?

12 MR. GLITZENSTEIN: But in that case there was  
13 a microprocessor. So it was all microprocessor enabled  
14 ways of achieving that function. And here --

15 THE COURT: But what the Federal Circuit said  
16 there was you've got to have, you've got to have a  
17 disclosure of the algorithm, in that case in the  
18 specification because it was 112.6, but in the my case  
19 it would be in the patent -- in the claim.

20 MR. GLITZENSTEIN: In the claim, in the claim.  
21 Understood. I mean, the very -- we're sort of reasoning  
22 from the parallels of Aristocrat to say that a  
23 microprocessor, you can't generically say, you can't  
24 generically claim as your invention a microprocessor  
25 that's programmed to perform a function without --

1 THE COURT: If it requires special  
2 programming, Katz and Aristocrat would say no.

3 MR. GLITZENSTEIN: And this one clearly  
4 requires special programming, your Honor, I mean there's  
5 just nothing in the record where they have ever  
6 suggested that in the absence of special programming,  
7 these many functions can't be carried out. I mean,  
8 there are discussions about specific algorithms, for  
9 example, in the specification, the patent discloses a  
10 particular control algorithm for doing the calculation  
11 of lengths, things like that.

12 THE COURT: Do you agree with me that it is  
13 possible to craft a claim to disclose a structure and  
14 specify a function that that structure performs in a way  
15 that doesn't require any additional structural  
16 disclosure?

17 MR. GLITZENSTEIN: Yes, your Honor, I do.  
18 And, I mean, the function has to be very, very closely  
19 tied in that scenario to the inherent capability of the  
20 structure, but sure.

21 THE COURT: And it's also possible to draft a  
22 claim to specify structure and to specify functional  
23 language that implies an additional structure, but that  
24 that -- but that ordinarily is going to have to be  
25 addressed under a 112.6 scenario or it has to be, in my

1 mind, a very rare case where the functional language  
2 identifies a sufficiently detailed structure to keep the  
3 claim from being indefinite. So that I do think there  
4 are circumstances, though it seemed to me that they are  
5 rare, that one can use functional language to imply the  
6 the existence of structure if in the rare, it's a rare  
7 case where the structure can be identified by the  
8 functional claiming, in other words, given what you have  
9 pled for structure and given the function that you've  
10 identified, there may be, there may be the unusual case  
11 where that function under these circumstances can only  
12 be performed in a way that would be a sufficient  
13 definite disclosure of structure to survive a  
14 definiteness challenge. But it's hard to construct that  
15 case as an example because I don't know the technology  
16 well enough, but I would acknowledge it's at least  
17 possible. But the problem here for them, from your  
18 perspective is, judge, this is not the case where they  
19 merely disclosed a structure and a function that that  
20 structure performs without any additional implied  
21 structure, it's not that case. They've claimed that it  
22 is but it isn't, because we've shown with their own  
23 evidence that it's programmable and it requires  
24 programs. And this isn't that very unusual case where  
25 the additional structure that's specified here,

1 controlling, energizing and calculating, a person  
2 reasonably skilled in the art would understand the  
3 structure that's implied by that and would understand  
4 that that structure is sufficiently detailed to survive  
5 the definiteness challenge, and accordingly it's  
6 indefinite because of the way the functional language is  
7 used in these claims.

8           That argument, to me, is the one that you  
9 articulate that is most appealing to me I guess. I  
10 don't buy the more generalized approaches that you've  
11 taken such as saying, well, it's at the point of novelty  
12 and it's functional so it's, per se, it really requires  
13 digging into what the facts of this case are, what the  
14 record of this case is and what that tells me about  
15 whether this particular functional claiming can be  
16 controlled by -- can be performed by a monitor -- excuse  
17 me, a controller without any additional programming.

18           MR. GLITZENSTEIN: One suggestion, your Honor,  
19 for sort of harmonizing Aristocrat and Katz might be,  
20 you know, it's a question really of specificity of  
21 structure versus generality of function where you have a  
22 fairly well specified structural recitation in a claim,  
23 you know, that's the scenario where the additional  
24 functional language might be okay because it's  
25 inherently part of that specific structure, but where we

1 would submit as here, where you have a very broad almost  
2 generic piece of structure coupled with some very  
3 specific functions, that's where it breaks down and  
4 where the indefinite issues arise.

5 THE COURT: All right, let me hear what Zipher  
6 has to say about this argument and then I'll hear a  
7 response from you.

8 MS. STOLL: Thank you. At the outset I want  
9 to note that our claims are entitled to a presumption of  
10 validity.

11 THE COURT: I understand that, and it requires  
12 clear and convincing evidence, I accept that.

13 MS. STOLL: And Markem hasn't raised any of  
14 these arguments in their briefs or their expert reports  
15 or their infringement contention.

16 THE COURT: Well, they raise it although  
17 obliquely, I agree with you. I mean, unfortunately  
18 their arguments are all sort of, they are off by like  
19 30 degrees or I'm off 30, I mean, they may be completely  
20 right and I may be completely off, but the way I'm  
21 seeing the case is different from the way they're seeing  
22 it, but I do think it is, here I do think we find the  
23 core of the argument in their brief, it's just not  
24 stated this way.

25 MS. STOLL: With all due respect I think that



1     you're making their argument for them perhaps better,  
2     but I don't think it was made in their brief. And I  
3     don't think that -- I think we've responded to the  
4     arguments they made.

5                 THE COURT: All right, let me, then, I need to  
6     call you out on that, so.

7                 (Pause.)

8                 THE COURT: If you look at the bottom of page  
9     31, they start, the claims do not describe a particular  
10    controller; rather the claims purport to cover any  
11    controller that performs the claimed functions of  
12    energizing motors to transport tape, et cetera, et  
13    cetera, and then they quote this language that they've  
14    quoted to me in their argument here about every possible  
15    controller in the world, it's a controller, that's the  
16    structural limitation, and then they go on to discuss  
17    the IEEE definition that I gave, and then they say in  
18    the middle of page 33, a controller can only perform  
19    these functions if it is specifically configured to do  
20    so, but the asserted claims do not describe a particular  
21    configuration for the controller, e.g., a controller  
22    with particular software, hardware, firmware or  
23    circuitry. The fact that the asserted claims recite the  
24    generic structure of a controller therefore does not  
25    make them definite since the structure is not in and of

1     itself sufficient to perform the claimed operations of  
2     the controller.

3                 That, I thought that that's the argument  
4     you're making, isn't it?

5                 MR. GLITZENSTEIN: Yes, your Honor.

6                 MS. STOLL: I think that that was to support  
7     their point that the claims use purely functional  
8     language to describe the point of novelty and that  
9     therefore under the cases like Halliburton, Miyazaki, et  
10    cetera, their claim was per se invalid. But I --

11                THE COURT: Well, let's assume -- I agree with  
12    you. I mean, would I have liked to be helped more than  
13    I have been helped by the parties in this case? I would  
14    say almost every day that I pick up this case I answer  
15    that question yes. But let's assume that they've  
16    adequately raised it. Help me understand on the merits  
17    why it's wrong. And let me start with this. I'd like  
18    you -- do you understand or have I been sufficiently  
19    clear to convey to you the analytical structure that I  
20    think I'm inclined to use in the case?

21                MS. STOLL: Yes, I do, but I would like to  
22    start by telling you why I think you're wrong in your  
23    analytical structure -- just let me, if you'll give me a  
24    minute, I'll tell you, then I can move on to the other  
25    question.

1 THE COURT: Okay.

2 MS. STOLL: Of whether even under the  
3 framework there's a problem with our claims.

4 THE COURT: Okay.

5 MS. STOLL: So first, the cases that are being  
6 relied on with this framework are cases that have  
7 exclusively involved 112.6 paragraph claims.

8 THE COURT: You understand I made that clear  
9 at the very beginning and every single time I reference  
10 it.

11 MS. STOLL: I understand. I want to let you  
12 know my view.

13 THE COURT: I don't have to be reminded of it,  
14 I know.

15 MS. STOLL: Okay. I want to just let you know  
16 my view on why I think that it should be limited. There  
17 is not a single case where the Federal Circuit or any  
18 other court has applied that framework to claims that  
19 aren't written in meaningful function format.

20 THE COURT: Explain to me why the reasoning  
21 should not apply.

22 MS. STOLL: In 112.6 paragraph says that you  
23 look to the specification to identify the corresponding  
24 structure.

25 THE COURT: I agree.

1 MS. STOLL: If you cannot find the  
2 corresponding structure, the claim is indefinite under  
3 112.2 paragraph.

4 THE COURT: I agree.

5 MS. STOLL: That is only for 112.6 paragraph  
6 claims.

7 THE COURT: And you use the exact same  
8 standard in doing an ordinary 112.2 indefiniteness  
9 argument whether -- show me the case law that says that  
10 that's not true.

11 MS. STOLL: I disagree and --

12 THE COURT: Show me the case law that says  
13 that that's not true.

14 MS. STOLL: Young versus Lumenis. This is the  
15 type of standard that you apply when you're determining  
16 whether a claim is indefinite. You look at whether its  
17 amenable to construction or insolubly ambiguous. It  
18 depends on whether the words can be given a reasonable  
19 meaning. You're not looking to the claim to see whether  
20 you can identify structure that performs the function.  
21 That's what you do in the 112.6 paragraph contest and if  
22 you can't --

23 THE COURT: Wait a minute. So you're saying  
24 there's a separate test of indefiniteness for a 112.6  
25 claim?

1 MS. STOLL: Yes, I am.

2 THE COURT: Show me any case that so  
3 recognizes that, any case ever decided in the history of  
4 the Federal Circuit that says that, I'll be happy to  
5 move on. Do you have some?

6 MS. STOLL: I think the Aristocrat case.

7 THE COURT: That doesn't say that. I've read  
8 it, okay. What else? Anywhere in the history of the  
9 Federal Circuit that said that.

10 MS. STOLL: The first case to talk about  
11 needing to have corresponding structure for a general  
12 purpose computer was the WMS Gaming case decided in  
13 1999. From there you had the Aristocrat case that said,  
14 oh, because in WMS Gaming we're going to limit you to a  
15 particular algorithm.

16 THE COURT: I understand the cases all deal  
17 with 112.6. I'm asking for something different,  
18 something that's a case in which the Federal Circuit has  
19 said the test of definiteness under 112.2 is different  
20 when analyzing structure pursuant to a 112.6 analysis  
21 than it is when analyzing claim language in a case not  
22 subject to 112.6.

23 MS. STOLL: I don't have a particular case  
24 that says that --

25 THE COURT: Okay.

1 MS. STOLL: -- but I do think that if you look  
2 at the cases that deal with 112.6 paragraph, there could  
3 be two different kinds of insolubly ambiguous. You  
4 might --

5 THE COURT: I'm not trying to figure out why  
6 the difference. Why would it matter, why would the  
7 court want to have two different standards?

8 MS. STOLL: Because under 112.6 you look to  
9 the specification so you've got a means for doing  
10 something. You look to the specification to see what  
11 the structure is that corresponds to that means, and  
12 you're stuck to that structure and its equivalence for  
13 the purpose of infringement.

14 But if you can't even figure out what that  
15 structure is, then for some reason they've called that  
16 112.2 paragraph indefiniteness. I have to tell you when  
17 I first read cases involving that I thought it was a  
18 little confusing, but that is the test that has only  
19 been applied to 112.6 paragraph claims. They've never  
20 done anything like that with non-means-plus-function  
21 claims. Instead they just look to see whether the term  
22 can be given a reasonable construction.

23 THE COURT: Isn't the --

24 MS. STOLL: The kind of argument --

25 THE COURT: If you look at the history of

1 112.6, isn't it quite clear that 112.6 was enacted to  
2 address a specific problem in that the United States  
3 Supreme Court had determined that means-plus-function  
4 claiming would not be permissible. And the way they  
5 addressed that problem is to say we will specifically  
6 countermand, overrule the Supreme Court on that issue,  
7 and we are going to say that you may use general means  
8 claiming, but when you do so, you have to be limited to  
9 the structure disclosed in the specification.

10 MS. STOLL: Congress did that. What Congress  
11 said is you're going to use means-plus-function claims.  
12 The Halliburton case, just to make sure that it's clear,  
13 that was actual means-plus-function, not controller for  
14 doing something, it was means-plus-function.

15 THE COURT: Well, you don't have to be clear  
16 to me. I basically have made that clear to you. What  
17 I'm saying to you is that was actually a  
18 means-plus-function case. Halliburton is directly  
19 reversed by the Congress that dealt with that very  
20 specific circumstance where it says you can plead a  
21 general means plus a function, but when you choose to do  
22 that you are limited to the structure disclosed in the  
23 specification. And if that is so, then why wouldn't,  
24 and it is clear that the 112.6 cases where the structure  
25 is inadequate, they say what, it's invalid because of

1 lack of definiteness, right, under 112.2. So that  
2 suggests that the 112.2 tests apply. You shake your  
3 head no, but you have no case ever cited in the history  
4 of the Federal Circuit to the contrary.

5 MS. STOLL: I have Young and a lot of other  
6 indefiniteness cases that analyze claims and say that  
7 the test here is --

8 THE COURT: So I have to say even though in a  
9 112.6 case where the structure is inadequately  
10 disclosed, it's invalid because of indefiniteness under  
11 112.2, we want judges to apply a different test to  
12 indefiniteness to 112.6 than we do to regular 112.2  
13 cases. Never said it before. Not in the statute. No  
14 basis for considering that. But we, the Federal  
15 Circuit, that's what we mean because that's what we're  
16 thinking back in our offices by ourselves even though  
17 we've never expressed that. I mean, that's ridiculous.

18 MS. STOLL: I don't know of any case where the  
19 Federal Circuit has applied the test that it applied for  
20 112.6.

21 THE COURT: Well, when you apply the same  
22 statute to two things, ordinarily you apply the same  
23 test unless the Federal Circuit says different. 112.2  
24 is the same, it's the same language that I would apply.  
25 So why wouldn't I use the same test absent some either



1 reason why I shouldn't or some declaration from the  
2 court that I shouldn't?

3 MS. STOLL: Because the reason is is that  
4 112.6 paragraph requires you to go to the specification  
5 to determine the scope of the claim.

6 THE COURT: I know that.

7 MS. STOLL: If you can't figure out what the  
8 corresponding structure is, you can't figure out the  
9 scope of the claim.

10 THE COURT: You're just repeating things.  
11 Let's move on because that's just repeating things.

12 MS. STOLL: Okay. Again, I just want to point  
13 out that under either framework, whether it's the  
14 framework of whether the claims can be given a  
15 reasonable construction or it's this 112.6 paragraph  
16 framework, this has not been in Markem's contention. It  
17 hasn't been in their expert reports. They have argued  
18 different terms are indefinite -- as being insolubly  
19 ambiguous. Efficient usage of the tape, acceptable  
20 level of tension, but they haven't --

21 THE COURT: But their whole argument is a  
22 definiteness argument. They make that clear right at  
23 the very beginning, right at the first few pages of the  
24 brief, all three arguments are indefiniteness arguments.  
25 Can I ask my question?

1 MS. STOLL: Yes.

2 THE COURT: Okay. Are you claiming here that  
3 the disclosed structure of a controller can perform the  
4 functions of controlling, energizing and calculating as  
5 identified in these claims without any special  
6 programming?

7 MS. STOLL: I think that the algorithms and  
8 description of how that controller performs those  
9 functions are disclosed in the specification, and I can  
10 point to you where that is.

11 THE COURT: Okay, let's stop, let's stop,  
12 okay. My question didn't ask that. I asked I thought a  
13 simple question. They, Markem, says your position is,  
14 as expressed in past arguments in front of the court,  
15 that the controller identified in your claim is capable  
16 of monitoring, energizing and calculating the way  
17 specified in the claims without any special programming,  
18 and that you've taken that position in the past. Is  
19 that your position today?

20 MS. STOLL: I'm not sure what that means. So  
21 I apologize for being evasive, but can I --

22 THE COURT: Okay, they said it. I understand  
23 what they are saying.

24 MS. STOLL: Okay, can I --

25 THE COURT: Let me try to explain it to you

1     some more.

2                   MS. STOLL: I'll try to answer in a way that  
3     answers your question. I would say that it's not  
4     inherent in the operation of the controller. It doesn't  
5     inherently perform these functions.

6                   THE COURT: So there needs to be an algorithm  
7     in addition to being a controller in order to perform  
8     those functions?

9                   MS. STOLL: Yes.

10                  THE COURT: Okay.

11                  MS. STOLL: There is more to it than --

12                  THE COURT: So, if that's the case, and using  
13     the analytical structure that I've followed, we have to  
14     ask, okay, this functional language, it carries some  
15     weight, it does something more than simply say a  
16     controller that does these things, and all controllers  
17     can do them, it says a controller that has something  
18     done to it so that it can do these things.

19                  MS. STOLL: I think it's a controller that  
20     does these things and one of ordinary skill in the art  
21     would understand --

22                  THE COURT: It doesn't by -- but something has  
23     to be done to the controller. You can't just order one  
24     on line, put the power to it, attach it to your, the  
25     rest of your machine and it starts working. There has

1 to be programming. Do you agree with the way they  
2 characterize your expert report, that this requires  
3 programming?

4 MS. STOLL: Okay, let me make sure I give  
5 context for Professor Kuc's report.

6 THE COURT: Okay, can you just answer that  
7 question first and then give me the context. Does it  
8 require programming?

9 MS. STOLL: Professor Kuc is talking about  
10 controller generically. He was not talking about the  
11 particular controller in the patent or the  
12 particular controller --

13 THE COURT: Does your controller require  
14 programming? I thought you told me yes.

15 MS. STOLL: Yes.

16 THE COURT: Okay. So it is a controller, and  
17 in order to perform the functions it requires  
18 programming.

19 MS. STOLL: Yes.

20 THE COURT: Okay. Now, the question is, if  
21 that's true, do you think the analogy to Katz is an  
22 appropriate one?

23 MS. STOLL: No, I do not.

24 THE COURT: Okay, why is Katz not an analogy?

25 MS. STOLL: I think Katz is a

1 means-plus-function case, and I don't think the analysis  
2 in Katz --

3 THE COURT: I'm not going to get you off that,  
4 okay, so let's abandon Katz because it doesn't help, you  
5 aren't able to go there.

6 So, all right, let's assume -- forget that I'm  
7 talking about any particular case. You have conceded  
8 that your controller does require programming that is  
9 not inherent in the nature of the controller that's  
10 disclosed. It requires something more than the  
11 controller that you disclosed. So it requires  
12 programming to allow energizing, to allow controlling  
13 and calculating, right?

14 MS. STOLL: Yes.

15 THE COURT: Okay. Where do you disclose  
16 programming -- programs are algorithms, right?

17 MS. STOLL: (Nods head affirmatively.)

18 THE COURT: All right, where do you disclose  
19 the algorithm that is -- performs the function?

20 MS. STOLL: Can you look at document number,  
21 it's 151-21.

22 THE COURT: What is it?

23 MS. STOLL: I think that it's the '094 patent  
24 in this case.

25 THE COURT: All right, I don't have it here,

1 but I can call it up on my screen if I need to. Can you  
2 put it up on yours by any chance? Because I have to go  
3 on line to ECF and pull down the exhibit, but I can do  
4 it if we need to.

5 (Pause.)

6 THE COURT: All right, I'll be able to get it  
7 in a second. I will just have to go on line here.

8 (Pause.)

9 THE COURT: Okay, what document is it?

10 MS. STOLL: This is the '094 patent, U.S.  
11 patent. It's U.S. Patent No. 7,682,094.

12 THE COURT: Yeah, but what document number?

13 MS. STOLL: 151-21, and we do have it up on  
14 the screen for you.

15 THE COURT: Okay. All right, go ahead.

16 MS. STOLL: Okay, so if you'll see, I'm just  
17 showing you first figure 18, and this shows you the  
18 micro-controller 89. As you can see, it sends pulses 91  
19 and -- down to the stepper motors and spools. The  
20 stepper motors are indicated at 92 and 93, and there's  
21 micro-controller 89 which is connected to them through  
22 the motor drive circuits to control the spools.

23 If you could turn, please, to column 21.

24 THE COURT: So you're saying --

25 MS. STOLL: I'm going to show you where the

1 algorithms are.

2 THE COURT: I just want to know, you weren't  
3 saying that was the algorithm.

4 MS. STOLL: No, I was showing you the  
5 structure. The specification has diagrams, circuit  
6 diagrams for the micro-controller and the connections  
7 between it and the motors and the spools and also  
8 including motor drive circuits to tell one of ordinary  
9 skill in the art how to energize the motors and how to  
10 control the motors. If you look here at the text that's  
11 put up, if you could maybe go down a little bit further,  
12 you'll see that tape, calculating the tape tension and  
13 correction is disclosed. For example, at column 21,  
14 line 8 through column 22, line 63.

15 THE COURT: Ah-hum.

16 MS. STOLL: There's a lot of text. Particular  
17 formulas for how to perform these functions. In  
18 addition there's the algorithm for monitoring the tape  
19 tension. That's at column 21 -- excuse me, column 23,  
20 line 21 through column 24, line 9, for example. Also  
21 column 24, line 60 through column 25, line 10, there's  
22 specific formulas. This is -- one of ordinary skill in  
23 the art reading this specification would understand how  
24 this operates.

25 THE COURT: Where's the algorithm for

1 energizing the motors?

2 MS. STOLL: For energizing the motors? I  
3 think that's within the skill level of one of ordinary  
4 skill in the art. It's also showing the --

5 THE COURT: Well --

6 MS. STOLL: -- figure 18.

7 THE COURT: Can you do me a favor? I know it  
8 seems inconsiderate. If I interrupt you and start to  
9 ask you something, it's better if you stop what you're  
10 doing and try to respond to me, because if you talk and  
11 I don't understand you because I'm focused on something  
12 else, it's like you're not even here, okay? So your job  
13 is to try to help me and persuade me, and so if I'm  
14 talking, you're not going to be persuading me, all  
15 right, so let's try to have an exchange. And I'm sorry  
16 that it's not like we're sitting in a coffee shop  
17 somewhere, it's a courtroom, and I need to be able to do  
18 things the way I need to do them, and that entails me  
19 asking questions and you answering them, okay, so please  
20 try to stop when I start to ask you questions, okay?

21 So, I'm trying to get back to where is the  
22 algorithm for energizing the motors?

23 MS. STOLL: Could you please go to column 21.  
24 At the top of column 21 you will see that it talks about  
25 figure 18 illustrates the calculation. If you go down



1 to around line five it says current from the supply 80  
2 to the motor drive circuit 81 is delivered through a low  
3 resistance resistor 83, the potential developed across  
4 the resistance being applied to level translator 84.  
5 Current to motor drive is delivered through low  
6 resistance value resistor. If you continue on it talks  
7 about how the outputs of the level translators are  
8 applied to analogue digital converters, the outputs of  
9 which are applied to a micro-controller 89. The micro-  
10 controller delivers a pulsed output to the first motor  
11 drive 81 and a pulsed output 91 to the second motor  
12 drive. The motor drives energize separate motors  
13 schematically.

14 THE COURT: But that doesn't tell me anything  
15 about the way the micro-controller is programmed to  
16 deliver the --

17 MS. STOLL: To energize?

18 THE COURT: Yeah.

19 MS. STOLL: I think it's just a matter -- that  
20 is probably something that's more inherent in the  
21 operation of the micro-controller in the context of this  
22 invention being connected to these motors.

23 THE COURT: Okay.

24 MS. STOLL: But there is an algorithm here, as  
25 you can see, for calculating the tape tension. Sorry

1 for interrupting you.

2 THE COURT: No, tape tension, it does seem  
3 that there's a formula for calculating tape tension, and  
4 I don't, I'm less clear on where the algorithm is for  
5 calculating -- excuse me, for energizing and  
6 controlling.

7 MS. STOLL: I don't think there is one. I  
8 think that that is a routine operation that one of  
9 ordinary skill in the art would be familiar with and  
10 details like that need not be disclosed in the  
11 specification.

12 THE COURT: Okay. One of the things that I'm  
13 wondering about here, and as much as I hate to slow this  
14 thing down, is whether I should each give you an  
15 opportunity to submit a, re-brief this thing based on  
16 the way I'm thinking about it because I don't think  
17 either of the briefs do a great job of addressing this  
18 and I don't know that you've each had a full opportunity  
19 to develop your extrinsic evidence about this. What  
20 you're really saying is that, hey, judge, any  
21 microprocessor can energize a motor, and while there's  
22 programming that's required, anybody who's reasonably  
23 skilled in the art would know exactly what kind of  
24 programming is required, right?

25 MS. STOLL: I apologize, I don't think that's

1    what I'm saying. I think that one of ordinary skill in  
2    the art looking at column 21 and seeing the formula  
3    would understand how to calculate the tape tension. For  
4    energizing, I think that is a more routine function, but  
5    calculating the tape tension -- can I point out that  
6    there's also a PID controller that's disclosed and  
7    describing the algorithm for that is in column 22, line  
8    8. That's also an algorithm for calculating the spool  
9    diameter at the bottom of column 22 at line 66.

10           THE COURT: Yeah, I just -- all right, so what  
11    else do you want to tell me?

12           MS. STOLL: I want to tell you again going  
13    back to Professor Kuc, the question that was being  
14    addressed at the claim construction hearing was the  
15    meaning of the word controller in terms of whether it  
16    connotes structure, because whether 112.6 paragraph  
17    applies or not depends on whether there's structure in  
18    the claim, and so Professor Kuc was talking about what  
19    one of ordinary skill in the art would understand by the  
20    word controller in a vacuum, not in the context of the  
21    patent or the claims. So I just want to make sure  
22    that's clear.

23           THE COURT: Okay. Thanks. What do you say to  
24    her argument that there are algorithms disclosed in here  
25    corresponding to the functions that are identified in

1 the claim language?

2 MR. GLITZENSTEIN: There's two responses, your  
3 Honor. At a higher level she didn't point to anything  
4 in the claims themselves. And we're applying in the  
5 Aristocrat type framework, the question is whether  
6 there's a sufficient structure in the claims to have the  
7 --

8 THE COURT: I don't think I'm buying that  
9 because I do think that she's right about  
10 indefiniteness. You can look to other language in the  
11 patent itself to give meaning. It's a claim  
12 construction issue. You use anything you need to use to  
13 give construction to the claim language, and I'm not  
14 sure that I have to disregard, I mean, if they had  
15 specified precisely what the algorithm was and it wasn't  
16 in the claim language and it says the function we've  
17 identified as controlling is performed through the  
18 following algorithm, you would say that would still be  
19 indefinite?

20 MR. GLITZENSTEIN: If they said in the claim  
21 it's performed?

22 THE COURT: Yeah, in the patent itself, if  
23 they said in the patent, the description of the  
24 invention -- where does this come up, where does this  
25 formula that they've put up, where is that in the

1 patent? Where is it?

2 MS. STOLL: Column 21.

3 THE COURT: Yeah, what is that? What do you  
4 call column 21, part of what?

5 MR. GLITZENSTEIN: Specification, your Honor.

6 THE COURT: Okay. So if, let me finish my  
7 point, if we had this claim language and in the  
8 specification we had a paragraph that said essentially  
9 the following, we have specified a function performed by  
10 the controller, the way in which that function is  
11 performed by the controller is through the following  
12 algorithm, you would say I would disregard that in  
13 determining whether the claim is sufficiently definite?

14 MR. GLITZENSTEIN: Well, I would have to say,  
15 your Honor, no, if the claim were going to be construed  
16 to embrace that algorithm, but that's the 112.6 issue  
17 right there. Our point is, look, the stuff that they're  
18 pointing to now, I'll turn to the substance of that in  
19 just a moment because they're formulas, they're  
20 mathematical formulas, they're not algorithms. I'll  
21 address the court's question directly in just a moment.  
22 But at a high level, you know, what's going on here is  
23 they want on the one hand to avoid any connection of  
24 these claims to the specification when it comes to their  
25 construction. And they vigorously resisted application

1 under 112.6 and stipulated straight up that the 112.6  
2 doesn't apply. Now what they're trying to do is embrace  
3 all of the savings provisions of 112.6 without being  
4 saddled with any of the claim construction implications  
5 of it. You know, they can't get both the benefits of  
6 sort of being able to point to the specification to say  
7 what is a purely functional claim term --

8 THE COURT: Well, that's always the case with  
9 nonfunctional claim terms. You use the specification to  
10 interpret the claim terms, you do, but you don't use the  
11 specification to limit the claim terms. Isn't that sort  
12 of basic claim construction?

13 MR. GLITZENSTEIN: For nonfunctional claim  
14 terms that's true, but functional --

15 THE COURT: Okay. Show me cases that say with  
16 functional claim language you must ignore the  
17 specification unless you invoke 112.6.

18 MR. GLITZENSTEIN: Halliburton.

19 THE COURT: That doesn't say that. Show me  
20 where.

21 MR. GLITZENSTEIN: Well, it's pre-112.6 so  
22 it's not going to say that, but what it says is you've  
23 used functional claim language in a means-plus-function  
24 framework, and that's permissible. And that's what  
25 112.6 exists to deal with in the first place. But your

1 Honor, with regard to the very passages here, this, too,  
2 is addressed in Aristocrat. These are mathematical  
3 formulas. And the --

4 THE COURT: Help me understand. I understand  
5 an algorithm is a set of instructions or steps, and  
6 that's what an algorithm is. Is that right or wrong?

7 MR. GLITZENSTEIN: Yes, that's my view.

8 THE COURT: And how is a formula different  
9 from an algorithm?

10 MR. GLITZENSTEIN: A formula is really just a  
11 different way of expressing a functional result. It's  
12 not a particular way of carrying it out. And Aristocrat  
13 deals with this --

14 THE COURT: Well, a mathematical formula  
15 ordinarily would be broken down and you could take a  
16 mathematical formula and convert it into an algorithm.  
17 So, I'm not understanding -- again, I'm not a scientist  
18 or a mathematician, but I understand -- I've always  
19 understood formulas to be essentially a set of  
20 instructions which are equivalent to an algorithm.

21 MR. GLITZENSTEIN: I think the algorithm is  
22 going to be more specific, and this is the --

23 THE COURT: Well, even in the cases that we're  
24 citing, Aristocrat and Katz and those cases to the  
25 extent they're applicable, they make clear you don't

1 actually have to have the source code for your  
2 programming, you can do it through a diagram as long as  
3 the diagram is sufficiently specific to inform a person  
4 reasonably skilled in the art as to what the algorithm  
5 is. So it doesn't have to be code to be sufficient.

6 So I don't know whether this is sufficient but  
7 it covers tape tension, it doesn't cover energization or  
8 otherwise controlling.

9 MR. GLITZENSTEIN: Right, or a lot of other  
10 things in these functional aspects of the claims like,  
11 you know, how does one come about efficient use of the  
12 tape which is the third issue --

13 THE COURT: I assume you would argue, Zipher  
14 would argue that in construing this functional language  
15 against a claim of indefiniteness you should use the  
16 same approach to solving the indefiniteness problem that  
17 you do in an ordinary indefiniteness problem. That is  
18 you construe the language generously, you try to find  
19 any saving construction that's reasonable, you consider  
20 not only the claim language but the specification  
21 language, you can consider dictionaries, you can  
22 consider extrinsic evidence, what a person -- it's  
23 essentially a claim construction exercise.

24 MS. STOLL: Yes.

25 THE COURT: Right? And so you're saying



1 something different. You're saying functional language  
2 doesn't get dealt with that way against an  
3 indefiniteness challenge. You're saying is that the  
4 functional language has to be construed how? If you  
5 don't use normal claim construction approaches, how do  
6 you construe that language?

7 MR. GLITZENSTEIN: So the language of the  
8 particular words are used to define the function. Those  
9 words can be construed in light of the ordinary  
10 collection of --

11 THE COURT: And if they said in the  
12 specification when we say this function, we mean a  
13 function performed using the following algorithm, you're  
14 saying I should ignore that?

15 MR. GLITZENSTEIN: It doesn't provide definite  
16 disclosure where on the same, at the same time they are  
17 not limiting the claim to that algorithm. That's really  
18 where this creeps in, is the fact that they're saying  
19 our claim covers not just that algorithm for performing  
20 that function, but every single possible algorithm ever  
21 that can be programmed --

22 THE COURT: Well, if they said that their  
23 claim would be indefinite.

24 MR. GLITZENSTEIN: They have. They've said it  
25 at the claim construction hearing. That's the purely

1 functional problem with this claim. They on the one  
2 hand want the benefits of a narrow disclosure, which we  
3 would submit doesn't disclose an algorithm in any event,  
4 but they want the benefits of pointing to a narrow  
5 disclosure without being bound by that. And this is  
6 exactly what -- this is the dilemma that Congress  
7 resolved in 1952. They said if you want to claim  
8 functionally, okay. And as the Belmont case that they  
9 cite --

10 THE COURT: The logical flaw in your argument  
11 has been recognized by the federal because that they  
12 have enacted 112.6 did not mean that they by implication  
13 barred all functional claiming nor did it mean that the  
14 Supreme Court precedence preceding barred all functional  
15 claiming. I thought we were beyond that because the  
16 Federal Circuit has said multiple times there's nothing  
17 wrong with functional claiming. It doesn't have to be  
18 undone, only in the context of 112.6, it can be done  
19 other ways. So that's wrong. I mean --

20 MR. GLITZENSTEIN: What this amounts to is  
21 something that the Federal Circuit has identified as  
22 pure functional claiming, and that's where it becomes an  
23 issue with the Federal Circuit. I mean, that's what  
24 Aristocrat says. If you've got it, if you say on the  
25 one hand that we cover every --

1           THE COURT: I can already picture how my  
2 remarks are going to be portrayed in the Federal Circuit  
3 now. The judge mistakenly thought that this court's  
4 opinions dealings with 112.6 applied to functional  
5 claiming language that isn't subject to 112.6. That's  
6 not what I'm saying. I hope someone, when this case  
7 gets to the Federal Circuit, as it will, at least  
8 correctly represents what I am doing and saying, trying  
9 to do, because I'm just trying to do the right thing  
10 here, you know, the parties are going to misrepresent  
11 things that I have said, twist things that I have said  
12 to try to create false impressions. I've been clear  
13 about this. I understand Katz and Aristocrat are  
14 112.6 cases. They're not cases dealing with our  
15 situation. I'm trying to use those cases as a way to  
16 understand the thinking that underlies the Federal  
17 Circuit opinions that deal with our area because the  
18 Federal Circuit opinions that deal with our particular  
19 problem are few and they don't go into extensive  
20 reasoning other than Swinehart and Halliburton, and  
21 those are really the only two that I think address this  
22 particular issue, but.

23           MR. GLITZENSTEIN: Your Honor, if I could make  
24 just one further observation.

25           THE COURT: Yeah.

1           MR. GLITZENSTEIN: If in fact as Zipher had  
2       said during claim construction that one needs to look to  
3       the specification in the way that they're suggesting  
4       now, we would have argued that as a separate basis for  
5       construing the claim in light of the specification. I  
6       mean, that would have been something that was available  
7       to us. But they steadfastly distanced themselves from  
8       that specification in the context of the claim  
9       construction.

10          THE COURT: Well, I think we got an admission  
11       out of them that's useful today. That admission is that  
12       they acknowledge that the functional language that is at  
13       issue here does require special programming. I think  
14       that's important. If for nothing else in these four  
15       hours that I've been here, understand that that is their  
16       position, which is arguably inconsistent with some  
17       things they've said in the past, that helps us narrow it  
18       down, you know, beyond that we'll have to see.

19          What else did you want to say about this  
20       particular issue. Anything else?

21          MS. STOLL: I don't have anything else, your  
22       Honor, except that I do think that I don't think we've  
23       been inconsistent. I think that the claims require that  
24       you have a controller and the controller be able to  
25       perform the stated claimed functions and our

1 specification teaches one of ordinary skill in the art  
2 properly how to do that. Thank you.

3 THE COURT: All right, what do you want to say  
4 on the third argument?

5 MR. GLITZENSTEIN: Your Honor, if we could get  
6 the monitor for up, please.

7 THE COURT: Yup.

8 MR. GLITZENSTEIN: And at tab three of your  
9 binder, slide 81. The first issue, your Honor, just to  
10 sort of set the table here on slide 82, we do have  
11 agreement on some of the baseline issues on these two  
12 terms. Number one, we do have agreement that they are  
13 at least terms of degree. They disagree with us that  
14 they are also subjective terms, but I think just getting  
15 it into that analytical bucket is helpful because the  
16 law on this is certainly clear.

17 THE COURT: I think of them as terms of degree  
18 and I don't think of them as purely subjective.

19 MR. GLITZENSTEIN: On this issue when we are  
20 talking about a term of degree, the patent specification  
21 must provide some standard for measuring that degree to  
22 be definite. On that we seem to have a dispute and I'll  
23 address that.

24 THE COURT: It doesn't have to be quantified,  
25 though, does it?

1                   MR. GLITZENSTEIN: It has to be a standard  
2     that a person skilled in the art can understand in order  
3     to apply metes and bounds.

4                   THE COURT: It has to be objective, not  
5     subjective, and it has to be understandable to a person  
6     reasonably skilled in the art. But say somebody, a  
7     person reasonably skilled in the art could eyeball it  
8     and all people who are reasonably skilled in the art  
9     could eyeball it and determine whether the standard has  
10    been satisfied, that it is not quantified does not  
11    render the patent claim indefinite.

12                  MR. GLITZENSTEIN: We would submit, your  
13    Honor, on that standard it would. I mean, the --

14                  THE COURT: Why?

15                  MR. GLITZENSTEIN: Well, because it doesn't  
16    delineate the metes and bounds. The cases do say --

17                  THE COURT: It does. Everybody who is  
18    reasonably skilled in the art can look at this and  
19    eyeball it and see that in this device, if there's a  
20    loop that's dragging down this much, it's going to be a  
21    problem, and why isn't that a, that's objective, it's  
22    just not quantified.

23                  MR. GLITZENSTEIN: The issue here, and we're  
24    talking --

25                  THE COURT: You agree the cases don't require

1 quantification?

2 MR. GLITZENSTEIN: Cases do not require  
3 quantification, but they do require precision. And  
4 where we're talking -- so they don't require  
5 quantification as a matter of rule for terms of degree.  
6 For the terms that we're talking about here, we're  
7 talking numerical terms, efficiency and acceptable  
8 levels of tape tension. That would certainly suggest  
9 some ability to quantify to the extent that you can  
10 delineate the scopes of the claim. You have to  
11 distinctly identify the boundaries of the claim.

12 I just want to address, there is some  
13 suggestion in their reply brief, your Honor, that we  
14 didn't have the standard right when it comes to terms of  
15 degree. That's something that does come out of the  
16 Datamize case itself.

17 THE COURT: Yeah, Datamize is the  
18 quintessential subjective case, and it's distinguishable  
19 entirely from the vast majority of cases that deal with  
20 terms of degree that don't involve subjectivity but  
21 don't necessarily have quantification, so, I mean,  
22 Datamize says what it says because in that case what's  
23 aesthetically pleasing, which I believe was what was at  
24 issue in data Datamize, is purely subjective, and that  
25 was the basis for the court's holding, wasn't it?

1           MR. GLITZENSTEIN: It was -- in Datamize it  
2 was a purely subjective claim term. Subsequently the  
3 Federal Circuit did confirm or clarify, I don't know how  
4 best to say it, I think it was always clear from  
5 Datamize, but I've got up here --

6           THE COURT: Well, here's what the court said  
7 in Exxon. So long as the meaning of the claim is  
8 discernible even though the task may be formidable and  
9 the conclusion may be one over which reasonable people  
10 will disagree, the claim is sufficiently clear to avoid  
11 invalidity on the definiteness grounds. I mean, that's  
12 it's pretty clear that -- and in the Ortho Kinetics  
13 case, a term of degree is not indefinite if a skilled  
14 artisan would be able to discern through circumscribed  
15 measurement or experimentation the limits of the claim.  
16 It doesn't have to be quantified. A patentee need not  
17 define his invention with mathematical precision or to  
18 comply with the definiteness requirement.

19           MR. GLITZENSTEIN: There has to be some  
20 standard in the specification. I've quoted here on  
21 slide 88 -- Zipher has disputed the legal standard here  
22 that the requirement of having a standard in the patent  
23 specification is also present when there's a term of  
24 degree at issue. The Federal Circuit made that clear in  
25 the Star Scientific case. They said when a word of



1 degree is used, the patent specification must provide  
2 some standard for measuring that degree to be definite.  
3 And it's interesting. This quote is taken directly from  
4 Star Scientific, the Federal Circuit inserted the must  
5 in brackets there, I didn't do that. So they actually  
6 in that case took pains to note that that is a  
7 requirement to find a standard measuring the degree in  
8 the patent specification. That's key, your Honor,  
9 because that's simply what's missing here. And even  
10 going on and they applied that standard, and they said  
11 below that the intrinsic record provides a standard for  
12 measuring that degree and assessing the bounds of  
13 anaerobic condition as required by Datamize, namely the  
14 level of TSNA formation. Then it goes on there to talk  
15 about what the nature of that standard was that was set  
16 out actually in the claims of that case that the --

17 THE COURT: Was it the standard quantified?

18 MR. GLITZENSTEIN: No, but it was controlled  
19 environment to prevent an anaerobic condition in order  
20 to substantially prevent the formation of at least  
21 one --

22 THE COURT: And that someone skilled in the  
23 art wouldn't know that.

24 MR. GLITZENSTEIN: And there's nothing even  
25 close to that in this specification, your Honor, that

1 really is why these claims fail on both these terms.

2 I've got a collection of the cases that are  
3 cited in the briefing, your Honor, just to sort of  
4 capture this. But in the cases where they do find that  
5 the definiteness standard is satisfied, there is a  
6 common denominator here, they do refer to things in the  
7 patent specification. The Exxon case that your Honor  
8 cited to was the substantial absence of slug flow. And  
9 where a claim term is talking about something that's  
10 substantially not there, okay, I think people of skill  
11 in the art can figure out where that range might be, and  
12 in that particular case the specification tied it to  
13 reactor efficiency. And the cases go on and on in this  
14 regard in terms of identifying things in the patent  
15 specifications that actually will give guidance as to a  
16 standard to a person of skill in the art. You know,  
17 there are, in these cases there are often examples.  
18 Those are missing here. There are often references that  
19 can be read to sort of refer to industry standards or  
20 FDA standards, that too is missing here.

21 And that's why these two claim terms really  
22 clearly fail this task of something in the specification  
23 to set forth a standard by which anybody can go in and  
24 determine whether the performance or capability of a --  
25 excuse me, whether the performance of a printer is

1 providing acceptable levels of tape tension, whether the  
2 performance of a printer is operating efficiently.

3 And so, again, I'm happy to talk about any one  
4 of these cases, but that is the common denominator on my  
5 review of the case law, is there's always something in  
6 the specification that provides that sort of standard  
7 with regard to terms of degree.

8 THE COURT: Well, I'm not sure that I -- you  
9 seem to suggest that the only means of giving meaning to  
10 the term is the specification. I think you do claim  
11 construction. You essentially look at the term and  
12 determine whether you can give it a construction that is  
13 reasonable under the circumstances.

14 MR. GLITZENSTEIN: Well --

15 THE COURT: You don't just look at the  
16 specification necessarily. You can look at other  
17 things.

18 MR. GLITZENSTEIN: Well, Phillips does say  
19 that the specification is the single best guide to --

20 THE COURT: I absolutely agree with that. I  
21 guess I'm saying, I'm not sure, to the extent you're  
22 suggesting that I must look only to the specification  
23 and may not consider extrinsic evidence or the patent  
24 prosecution history or anything like that in giving  
25 meaning to these claim terms, I don't agree with you

1 because that's not what the case law suggests I should  
2 do.

3 MR. GLITZENSTEIN: Well, the good news is  
4 there's nothing in the prosecution history, so I don't  
5 think anybody's pointed out. But, your Honor, I mean,  
6 the fact is that the courts do treat these terms of  
7 degree in a different way. I mean, they call them out  
8 as such when they are terms of degree, which is why I  
9 wanted to focus on the Star Scientific case which does  
10 impose that as a requirement, as they must, and that's  
11 the Federal Circuit's direction.

12 THE COURT: But that very case affirmed the  
13 use of something that wasn't quantified.

14 MR. GLITZENSTEIN: Well, again, it doesn't  
15 have to be quantified but it has to be a standard. I  
16 think we agree that the cases clearly support that  
17 proposition, but what's missing in this case is any sort  
18 of standard, any guidance whatsoever, be it in the form  
19 of examples, be it in the form of some direction as to  
20 what to look at. And my point is, they can't now, I  
21 don't think the extrinsic record supports them anyway,  
22 but in any event they can't now point to the extrinsic  
23 record and say, well, one of skill in the art would do  
24 these various things. That doesn't provide the  
25 important notice giving function. There are many of

1 these cases that talk about the importance of putting  
2 the burden on the party drafting the claim to get it  
3 clear, and if they felt that there was some standard in  
4 their specification, or some standard, excuse me, that  
5 would support these notions of efficiency and acceptable  
6 tape tension, it was incumbent upon them to put it in  
7 the specification. That's what they didn't do. They  
8 chose these words, not us.

9 And the specification, just to, I'm happy to  
10 talk about the case law, but just to cut to the issues  
11 of efficient usage of tape, there's nothing in the  
12 specification that defines the standard. Again, I think  
13 I'm on slide 100. I think there's no dispute that these  
14 are terms of degree. And they suggest at the outset of  
15 their argument that these aren't structural limitations  
16 but they are statements of the intended purpose or  
17 desired results of the claim structure, you know, I  
18 don't know what they're intending by that, but if  
19 they're intending to eliminate the requirements from the  
20 claim, they can't do that.

21 THE COURT: All right, okay, yeah, I'll have  
22 to ask about that, I'm confused. You're saying you  
23 think that they're suggesting that these aren't claim  
24 limitations?

25 MR. GLITZENSTEIN: I didn't know what to make

1 of it in that context that they're not structural  
2 limitations because that was either their first or their  
3 second answer to our challenge that these terms were  
4 indefinite. The implication that I took away from that  
5 is that we don't have to, you know, that the terms are  
6 somehow less important for their indefiniteness, less of  
7 a problem because they're allegedly only statements of  
8 the intended purpose or desired result.

9           They offer up a construction, at least I  
10 understood it to be a construction in their  
11 specification -- in their reply brief, excuse me, that  
12 we would submit as meaningless. They say that efficient  
13 tape usage means minimizing or limiting the consumption  
14 of tape. I don't know if that's what they intend to say  
15 because of course tape is always consumed in the process  
16 of using these printers, so if they're talking about  
17 minimizing or limiting the waste of tape, well, that's  
18 just not born out in the record.

19           And again, just to revert back to the  
20 Halliburton Energy case, they say that, look, even if  
21 you can set a construction down in words, it's still  
22 indefinite if a person of ordinary skill in the art  
23 can't translate that into meaningful precise claim  
24 scope. In Halliburton Energy the court was provided  
25 with a specification that was fairly rich in discussion

1 about what it was to be a fragile gel. There were  
2 examples in the specification. There were a couple of  
3 definitions that the patent owner offered up. None of  
4 them passed muster in light of the specification. The  
5 metes and bounds of the claims were unclear even  
6 considering the extensive disclosure in that  
7 specification.

8           Here there's just nothing in the  
9 specifications that provides any standard for measuring  
10 the degree of efficiency, quantified or qualitative,  
11 there's nothing in here whatsoever.

12           Zipher cites -- so first off, we're talking  
13 about the claims of the '605 patent. I'll get to a  
14 slide on this in a minute. But it's important to note  
15 that these claims are directed to the notion of printing  
16 adjacent one another. You've got a print operation one  
17 and a print operation two. And it talks about  
18 positioning so that the second print operation is  
19 adjacent to the first print operation.

20           The passageway, the passages, excuse me, of  
21 the specification that Zipher cites to don't concern  
22 printing adjacent at all. They actually, I'll get to  
23 this, but one talks about overlap printing and the other  
24 two talk about avoiding tape waste by rewinding the tape  
25 onto the spools. But even with that, as I'll show in

1 just a moment, none of these passages provide the  
2 standard for measuring efficiency.

3           So, with regard to slide 104, this is the  
4 language from claims 1 and 12 of the '605 patent and  
5 this is where this requirement of efficient tape usage  
6 is found, and I've colored in red here the language that  
7 shows that what we're talking about here is a second  
8 region of tape that is adjacent to a first region of  
9 tape where those are the regions that you're going to  
10 print from. I'm paraphrasing here obviously. But the  
11 notion here is adjacent. And it says you've got to  
12 position this second region. The next region you're  
13 going to print from, you've got to position it adjacent  
14 the region you just printed from for efficient usage of  
15 the tape. And so that appears to be saying that you've  
16 got to have them close enough that you're not wasting a  
17 lot of tape in that gap between the two prints. But it  
18 doesn't say anything about how much of a gap is  
19 efficient or inefficient, how somebody would determine  
20 that.

21           Turning to slide 105, this is the first  
22 passage that Zipher cites, and this concerns a different  
23 aspect of the specification. This concerns overlap  
24 printing where there's a sort of different disclosure  
25 that surrounds these figures 13 through 16, and that's



1 where you, instead of printing one region next to one  
2 another you actually overlap by interleaving them in  
3 certain ways, and that's another way to get more prints  
4 out of a given spool of ribbon.

5 And this is shown a bit in the figures that  
6 I've got here on slide 106, figures 13 through 16 of the  
7 patent. And generally speaking, what these are directed  
8 to are overlap printing, not adjacent printing.

9 So, back to slide 105, you know, we've got a  
10 very broad statement of different methods of making  
11 efficient use of the printer ribbon. That's not a  
12 standard as required by the Federal Circuit authority,  
13 but moreover it's not even directed to the notion of  
14 adjacent printing which is what the claims at issue are  
15 really concerned with.

16 And then there's the second and third passages  
17 that Zipher cites which I've got here in slide 107, and  
18 that's the issue of rewinding. In certain types of the  
19 print operation you wind up having to accelerate the  
20 tape to match the speed of the potato chip bag that's  
21 passing by, for instance, and so you wind up with a lot  
22 of unused tape just as a consequence of trying to catch  
23 up to the thing you're going to print on. And so what  
24 these two passages are directed to is rewinding that to  
25 avoid what the bottom passage calls gross wastage of

1 ribbon. It doesn't use the term efficient at all. It  
2 just says you don't want to waste all of that long  
3 length of unused ribbon. So, again, here too there's  
4 nothing in the way of a standard for at all giving  
5 guidance to a person with skill in the art as to what  
6 would be efficient and what not.

7 I may be reading too much into their brief,  
8 but I took their statement at page 33 as sort of a tacit  
9 concession that there is no such specification -- no  
10 such standard in the specification for measuring  
11 efficiency. They dispute that there's any need to find  
12 a standard for measuring efficiency for terms of degree  
13 in the specification. And as we talked about a moment  
14 ago, Star Scientific clearly holds to the contrary and  
15 that authority goes all the way back to the Seattle Box  
16 case that Datamize relies on. Seattle Box case was a  
17 term of degree case, and they said look at the  
18 specification. Star Scientific was a term of degree  
19 case and they said you must look at the specification  
20 for standard.

21 So, they're just simply incorrect, we submit  
22 on that, on that very key legal point.

23 THE COURT: I'm not sure I agree with you  
24 either on that. I don't see any cases that say you must  
25 look to the specification and only to the specification.

1           MR. GLITZENSTEIN: Oh, I'm not suggesting only  
2     the specification, your Honor. I think that you're  
3     right, your Honor, that it's certainly fair to look  
4     elsewhere to understand what's in the patent  
5     specification. We certainly see that in some of these  
6     cases. But the Federal Circuit's language has been  
7     clear in requiring a standard in the specification for  
8     terms of degree. It is true that in, for example, the  
9     Datamize case they looked at the prosecution history,  
10    they also looked at, you know, some testimony and things  
11    like that, but --

12           THE COURT: I just think it would have been  
13    better for you if you had come in with an affidavit from  
14    somebody that says, you know, I know this art and one  
15    can't, to the extent they claim that a person reasonably  
16    skilled in the art can tell you what these things mean,  
17    they're wrong, you can't discern that from this claim  
18    language or this specification or -- you can't determine  
19    it at all and nobody reasonably skilled in the art can  
20    do that.

21           MR. GLITZENSTEIN: We have two forms of  
22    evidence on that. I mean, one, we have their admissions  
23    which I would submit are even more powerful than an  
24    affidavit or declaration, but we have the admissions of  
25    their 30(b)(6) witness who is also their inventor, one

1 of their inventors of this patent at his deposition. We  
2 also do have testimony that they took of our witnesses  
3 that go to this same issue. So that evidence is in the  
4 record really from both sides.

5 And I've got up here on slide 110, this is the  
6 testimony of their inventor, Martin McNestry, who is  
7 also their 30(b)(6) witness, I took his deposition on  
8 these very issues, and I gave him, your Honor, a full  
9 and fair opportunity to explain to me what it is that  
10 divides an inefficient printer operation from an  
11 efficient printer operation.

12 THE COURT: He said there is no standard for  
13 determining the efficient use of tape that I know in his  
14 deposition.

15 MR. GLITZENSTEIN: That's right, as their  
16 30(b)(6) witness. And that applies to both determining  
17 if something is inefficient and determining if something  
18 is efficient. And it's an important issue for us in  
19 determining issues of validity and infringement in this  
20 case. The claim should be clear enough so that we know  
21 which side of the line we fall on. And when their own  
22 inventor and 30(b)(6) witness cannot articulate a  
23 standard, I mean, I put to him a hypothetical question  
24 where it turned out that if you only use 50 percent of  
25 the tape, he offered his subjective opinion that that

1 would be an efficient usage of the tape. But what the  
2 law requires here is a standard. And it's not a term of  
3 art that he's aware of or that Zipher has identified. I  
4 think we've certainly done more than discharge our  
5 burden to show that, you know, nobody of skill in the  
6 art, their own people, our people, simply cannot define  
7 standard for this term.

8 THE COURT: Okay, let me get Zipher's  
9 response. Why don't you pick up with that last point  
10 and explain why I shouldn't rely on this excerpt from a  
11 deposition for anything.

12 MS. STOLL: Oh, I think there's other  
13 testimony from Mr. McNestry that would be helpful to  
14 review. This is just a portion of what he said and it's  
15 more helpful to look at his testimony in context. And  
16 so if we could have -- thank you. He talked about  
17 measures of efficiency of the ribbon. He said you can  
18 look at the gaps between the prints. You can look at  
19 the prints per role of ribbon. I have some ribbon here  
20 if you would like to look at it.

21 THE COURT: Just an eyeball test essentially?

22 MS. STOLL: Eyeball, but objective eyeball  
23 criteria.

24 THE COURT: Okay, yeah, let's --

25 MS. STOLL: He said you can count the number

1 -- go ahead, sir.

2 THE COURT: Let me understand that. So it's  
3 an eyeball test, it's objective so that I could bring in  
4 50 experts and they'd all know what this means.

5 MS. STOLL: Well, I want to back up and go  
6 through the claims, but yes, I do think that everybody  
7 would know what it means and I've got a lot of evidence  
8 to show that. So I would like to start, if I could,  
9 with the claim.

10 THE COURT: Okay.

11 MS. STOLL: And walk through it like you would  
12 with claim construction. But just addressing Mr.  
13 McNestry's testimony, he didn't just say I don't know  
14 what this is. He talked about objective measures for  
15 determining it.

16 Could you go to slide 23, please. 24, sorry.

17 Okay, Markem's counsel had said that we were  
18 trying to say that this limitation doesn't have any  
19 meaning in the claim. That's not what we're saying.  
20 What we are saying is that when you look at the claim,  
21 the claim itself helps you understand what efficient  
22 usage of the tape means. The claim doesn't just say  
23 efficient usage of the tape or a controller for  
24 providing efficient usage of the tape. It says a  
25 controller that does these things, performs all these

1 functions, for efficient use of the tape. One of things  
2 is what does it do. It positions a region of tape from  
3 which material has been transferred that is adjacent to  
4 a first region of tape from which material has  
5 previously been transferred. And then it puts them at  
6 the print head for transferring at least some material  
7 from the second region of the tape for efficient use of  
8 the tape. In other words, one of ordinary skill in the  
9 art, we look at this from one of ordinary skill in the  
10 art, not how I think efficient use of the tape means,  
11 but from a person who works in the TTO industry and what  
12 they think it means. And looking at this claim, it  
13 tells you what we're talking about for efficient usage  
14 of the tape.

15 THE COURT: Is there some reason why this  
16 can't be quantified?

17 MS. STOLL: Well, I think it's a breadth  
18 issue. We don't want to say it's one millimeter gap,  
19 two millimeter gap. I mean, I think that the claims  
20 don't have to be in a numerical value --

21 THE COURT: I agree with you. I'm just trying  
22 to figure out, I mean, why couldn't you say within a  
23 range of 1 to 3 millimeters or 1 to 5 or 1 to 100 or 1  
24 to 1000?

25 MS. STOLL: That would be, I think that that

1 would make the claim, that would be one way to make the  
2 claim definite, but there's other ways to make the claim  
3 definite and we satisfied the standard for definiteness  
4 without providing such a numerical range.

5 THE COURT: What would a person reasonably  
6 skilled in the art, what would the range be that they  
7 would say? So, for example, there's no evidence, is  
8 there, that somebody raised their hand and said I  
9 understand a reasonable use, efficient use of tape in  
10 this context and this circumstance, and people  
11 reasonably skilled in the art would tell you any use of  
12 tape that is more efficient than whatever, and a number.  
13 There's nobody who says that's what we would all  
14 understand this to mean.

15 MS. STOLL: No, but I think that one of  
16 ordinary skill in the art would understand what  
17 efficient use of tape is based on --

18 THE COURT: If we asked them, would they tell  
19 us?

20 MS. STOLL: Well, yes, they have said -- we  
21 have the testimony of the inventor and other witnesses  
22 to have --

23 THE COURT: Did they give you a number, did  
24 they give us a number?

25 MS. STOLL: I don't think they gave a number.



1 They do try to have the print from one print be adjacent  
2 to another print. We do have a number of Markem's  
3 documents, so I'd like to walk through that for a  
4 minute. Markem has a lot of marketing documents for  
5 their own accused products, and my point here is simply  
6 that one of ordinary skill in the art in this industry  
7 knows what efficient use of tape means, and the document  
8 you're looking at here gives you five reasons why  
9 SmartDate5 is your first choice, reason number one is  
10 efficiency, and they define that. They say industry  
11 leading 0.5-millimeter print gap delivering more prints  
12 for the same length of ribbon.

13           There's about -- I could you go through --  
14 could you show the next one.

15           THE COURT: Yeah, ordinarily, though, I've  
16 seen claims like this where in the specification it  
17 would say, for example, that the industry standard is X  
18 and this machine produces an improvement in the industry  
19 standard.

20           MS. STOLL: I think the way that this machine  
21 really produces an improvement is the way in which it  
22 achieves that print gap. I think the print gap is, that  
23 is one of the main points. And if you go back, please,  
24 to the specification. The specification talks about  
25 efficient use of the printer ribbon but defines it in

1 terms of minimizing ribbon wastage and tells you how to  
2 achieve that goal. Just like the claim does. Put these  
3 printing areas adjacent to one another to achieve  
4 efficient usage of the tape. It's not intended to be a  
5 precise numerical range. But more than that, one of  
6 ordinary skill in the art would understand what that  
7 means just based on their own knowledge. Reading the  
8 specification, looking at Markem's documents, we think  
9 the extrinsic evidence shows that, for example, this  
10 document of Markem says that if the image is  
11 25 millimeters long, the ribbon is advanced by 26 or  
12 27 millimeters suggesting a 1 to 2-millimeter gap. I  
13 think some of it depends a little bit on the tape you're  
14 using, the print image that you're making could vary and  
15 what for that application would be efficient, but the  
16 key point here is that the claim tells you to place  
17 these images adjacent to one another.

18 THE COURT: Do you agree, excuse me, is it  
19 your position that efficient use of tape is a claim  
20 limitation rather than a statement of purpose that isn't  
21 a limitation?

22 MS. STOLL: I think it's a statement of  
23 purpose that's accomplished by the controller performing  
24 the function of the claim, but of course it's a claim  
25 limitation.

1           THE COURT: Okay, so, to the extent you  
2 understood them to say that this wasn't a claim  
3 limitation, they've conceded that it is a claim  
4 limitation. All right, go ahead.

5           MS. STOLL: Okay. I think that your  
6 understanding of the law is consistent with our  
7 understanding of the law, which is that you look at the  
8 claims specification, the prosecution history, relevant  
9 extrinsic evidence to determine whether there can be a  
10 reasonable construction of this term.

11           Do you have any specific questions for me on  
12 this issue?

13           THE COURT: No, I think you've covered it. I  
14 think there is in my mind efficient use of tape of the  
15 two terms is the one that's more troubling for me. But  
16 I do think that your understanding of the relevant case  
17 law here is similar to mine. To the extent I tend to  
18 disagree with Markem on this, I think they are maybe  
19 trying to be a little too aggressive in characterizing  
20 the case law in a way that isn't completely consistent  
21 with my own understanding of that case law, but I don't  
22 have any specific questions.

23           All right, let me just ask -- did you want to  
24 say something very briefly?

25           MR. GLITZENSTEIN: Your Honor, if you have

1 questions for me. I would just comment that the  
2 evidence that Zipher's counsel has identified, I mean,  
3 even the extrinsic evidence if the court were to credit  
4 that, still none of it sets out a standard for measuring  
5 efficiency. When you go through all of it they are, if  
6 the fact you would look to gaps between prints doesn't  
7 tell you how --

8 THE COURT: I have a real issue with the  
9 efficient use of tape part of it. An acceptable level  
10 seems to me to be an easier thing in light of what a  
11 person reasonably skilled in the art would deal with,  
12 acceptable level of tape tension, but the efficient use  
13 of tape issue is a hard one. It does hurt them that  
14 their expert disclaimed any standard, and it's hard for  
15 me to get a handle on what a person reasonably skilled  
16 in the art would understand this to mean. But the  
17 standard is I think very generous and favorable to  
18 Zipher here, and so I'll apply that standard in looking  
19 at this.

20 MS. STOLL: Can I make one additional point?

21 THE COURT: Yeah.

22 MS. STOLL: I would, if you haven't looked at  
23 it, I would urge you to read the Star Scientific case.

24 THE COURT: I've read it.

25 MS. STOLL: Which is the 2011 case, not the

1 2008 case that Markem's counsel was referring to.

2 THE COURT: Let me make sure I have it. Hang  
3 on a second. The one I've read is 655 F.3d.

4 MS. STOLL: That's the one. And with  
5 involving controlled environment for tobacco curing  
6 where the court said you don't have to have specific  
7 numerical value. The question is what one of ordinary  
8 skill --

9 THE COURT: That's the one I was questioning,  
10 yeah, I was questioning him on that earlier because I  
11 think that's probably the strongest case for you in that  
12 it suggests that one can have an objective standard that  
13 isn't necessarily quantified and can still be identified  
14 with sufficient definiteness if a person reasonably  
15 skilled in the art would understand what that standard  
16 required. And I think that's the strongest case for you  
17 and I think they have kind of overstated the law in  
18 their characterization of it in the way that they  
19 present it. But nevertheless, efficient use of tape is  
20 a difficult concept to get a handle on and I'll have to  
21 look over very carefully all of the relevant evidence to  
22 see if I can give that a meaning that will keep it from  
23 being insolubly ambiguous, and I will give it that  
24 meaning. But if I can't, then it will be insolubly  
25 ambiguous.

1 All right, let me briefly ask about  
2 consequences here. If I reject your invalidity  
3 challenge if its entirety, what would be the next step  
4 from your perspective?

5 MR. GLITZENSTEIN: We would begin to prepare  
6 for trial. We have a trial date set in November.  
7 There's a schedule that starts to flow from that, or  
8 backs up from that, not flows from that.

9 THE COURT: If I were to invalidate the  
10 claims, the functional claim language based on the  
11 determination that that is indefinite functional  
12 claiming and I were to determine that the two terms that  
13 they have construed are insolubly ambiguous, what would  
14 be the next step in the case from your perspective?

15 MS. STOLL: So you're saying that you would  
16 find under this --

17 THE COURT: I would be persuaded by Markem's  
18 claims that the functional claim language is improper  
19 functional claiming, not that it's a method step but is  
20 improper functional claiming, and that the two terms  
21 that they've raised with me are insolubly ambiguous.

22 MS. STOLL: I believe that that would find all  
23 the asserted claims in the suit invalid and then we  
24 would be on appeal.

25 THE COURT: Okay. All right, so, either I

1 will get out a decision rendering these claims in whole  
2 or in part invalid. What if I were to say that the  
3 functional claim terms were improper functional claiming  
4 but that the efficient use of tape and acceptable level  
5 are not insolubly ambiguous, would there be anything  
6 left to try in that case?

7 MS. STOLL: I don't think so. I think that  
8 also, because there's functional language --

9 THE COURT: And what if I said that the  
10 functional claim language is not invalid but that the  
11 two terms are insolubly ambiguous, would that leave  
12 anything to be tried?

13 MS. STOLL: No, we still would have one  
14 patent.

15 THE COURT: What if I said that -- oh, there  
16 would be one.

17 MR. GLITZENSTEIN: I think you meant to say  
18 yes.

19 MS. STOLL: Oh, sorry. I answered  
20 incorrectly. We would still go to trial.

21 THE COURT: Okay. So in that event there  
22 would still be something to try.

23 MS. STOLL: Yes.

24 MR. GLITZENSTEIN: The oldest patent,  
25 actually, the one that issued back in 2006 would not be

1 subject.

2 THE COURT: All right, good. Well, that's  
3 good to know. I've been working on this for a very long  
4 time. It may not seem to you folks like I have because,  
5 you know, we disagree so strongly about what I think  
6 about the relevant law in the case, but I've been  
7 working on this for a long time. I've thought about it  
8 a lot. I've been working with my law clerk on it. I've  
9 rethought some of my views today as a result of oral  
10 argument, but I don't see any reason why I can't get a  
11 decision out here in the next couple weeks. So, be  
12 ready for a decision or/and either you can go ahead and  
13 appeal or we will then schedule a conference to try to  
14 get the case ready for trial, okay?

15 Anything else?

16 MS. STOLL: Your Honor, I would just want to  
17 let you know that the parties have been talking a little  
18 bit about settlement and trying to work out issues, so  
19 just to let you know. I know that you've been  
20 interested in that in the past and I just wanted to let  
21 you know.

22 THE COURT: Well, that's nice to know, I mean,  
23 I'm not optimistic. I just don't have a lot of faith in  
24 you folks. But, you know, anything is possible and  
25 maybe you can find ways to work things out. It just



1 seems that you both have such radically different  
2 understanding of things, and I don't feel I've been  
3 particularly helpful to you. In my view, a judge who is  
4 unable to help the parties identify what they are really  
5 fighting about and give them an answer to that in an  
6 expeditious way is not doing his job. I feel like I  
7 haven't done my job in this case, but I don't feel like  
8 I've been well helped in that effort, and so I'm sorry  
9 that I have not been more helpful to you. I wish you  
10 had been more helpful to me. I still would hope that  
11 you can find ways to work this thing out, but I am  
12 determined to do one thing, and that is get this case  
13 off of my docket. And I will do it either by issuing a  
14 summary judgment ruling or by promptly trying the case.  
15 So, understand this. This case will be over by  
16 November, at the end of November at the latest one way  
17 or the other, and you'll go on to whatever phase you  
18 want to go to the Federal Circuit.

19 I think there's some advantage in you both  
20 thinking carefully about settlement because I think this  
21 question of functional claiming has not been well  
22 articulated by the Federal Circuit, and if the issue  
23 applies in this case, I think it's a rather difficult  
24 problem. I think the question of insolvable ambiguity  
25 with respect to these terms of degree is a difficult

1 problem. The answer is not apparent. I mean, I have  
2 come to some ideas about how I want to answer those  
3 problems, but I have no confidence that my answers would  
4 be accepted by the Federal Circuit, and I don't think  
5 you could predict necessarily what the Federal Circuit  
6 is going to do here reliably, let alone try to predict  
7 what a jury will do. And in my mind it's cases like  
8 that that cry out for settlement.

9           So, you know, you can take the all or nothing  
10 approach and spend another couple hundred thousand  
11 dollars on this case or you can try to resolve it. I  
12 think it would be good if you could, I really do, but  
13 that doesn't affect my thinking. I'm just going to push  
14 ahead now because I'm well, well, well into this case  
15 and I'm just going to grind through until I get it done,  
16 okay? Thank you.

17           MR. GLITZENSTEIN: Thank you, your Honor.

18           (Court adjourned at 3:40 p.m.)

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1 C E R T I F I C A T E

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3 I, Sandra L. Bailey, do hereby certify that  
4 the foregoing transcript is a true and accurate  
5 transcription of the within proceedings, to the best of  
6 my knowledge, skill, ability and belief.

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9 Submitted: 8/9/12

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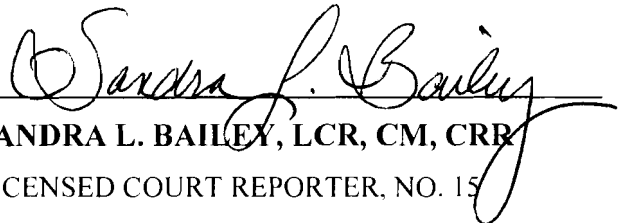
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SANDRA L. BAILEY, LCR, CM, CRR  
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